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**Report to the General Assembly**

December 1996

**A Review of the  
Implementation of the  
South Carolina  
Family Independence Act**



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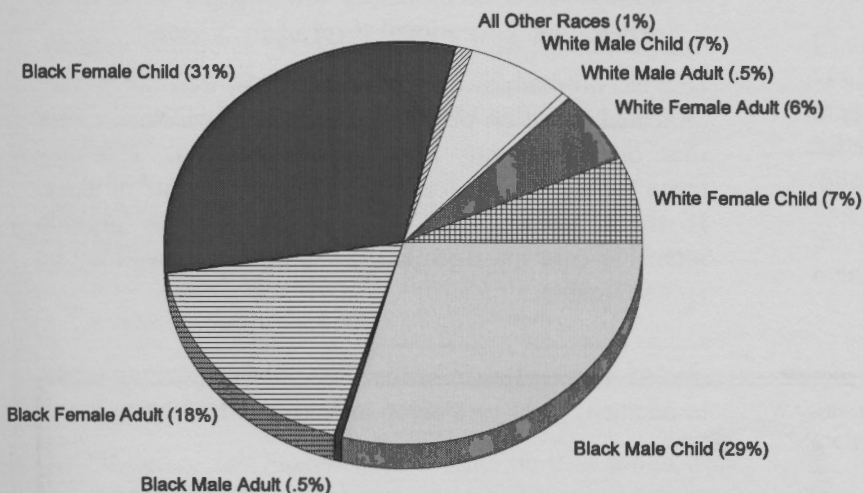
December 1996

# A Review of the Implementation of the South Carolina Family Independence Act

The South Carolina General Assembly fundamentally changed the nature of welfare by passing the Family Independence Act in June 1995. The act requires the state Department of Social Services (DSS) to emphasize employment and training with a minor welfare component. To that end, DSS is required to expand its employment and training program statewide, coordinate with other state agencies, and provide welfare assistance as a stipend to a family unit as long as there is satisfactory participation in employment and training activities. Except as exemptions apply, the act limits welfare assistance to no more than 24 months out of 120 months, and no more than 60 months in a lifetime.

Welfare stipends in South Carolina, or Aid to Families with Dependent Children (AFDC), average \$185 a month per case. Most AFDC families have a single head of household; 74% of welfare recipients are children.

Age, Race, and Sex of AFDC Clients—FY 95-96



Under the Family Independence Act (FIA), the Audit Council is required to report results on or about August 31, 1996, and every two years thereafter. Our first report reviews the implementation of welfare reform during its first six months; it is too early at this juncture to evaluate the program's impact.

## Statutory Questions

Section 43-5-1285 of the FIA requires us to report the following information:

■ **The number of AFDC families and individuals no longer receiving welfare.**

As of June 30, 1996, about 114,000 individuals and 44,000 families in South Carolina were receiving AFDC. From June 1995 through June 1996, these numbers had declined 8.5% for individuals, and 8% for families. This trend began in FY 93-94, well before the FIA was passed, so it is difficult to know whether recipients left welfare because of employment or for other reasons.

■ **The number of individuals who have completed educational, employment or training programs under this act.**

DSS computer systems track only participation in education and job training programs, not the number who *completed* the programs. We also noted problems with data accuracy and completeness. Within these limitations, we found that, on average, 2,746 FI clients participated in educational and training programs monthly from January through June 1996. This accounts for only 21% of those required to participate.

■ **The number of individuals who have become employed and duration of their employment.**

The FIA requires that job placement goals be established for each county. Jobs counted toward meeting counties' monthly employment goals must last at least 30 days, for 30 hours a week, and pay at least minimum wage. (Employment of 20-29 hours a week can be counted as half a job placement.) In February 1996, 804.5 "countable" job placements were reported by the counties. For May 1996, the counties reported 1,450 "countable" jobs, which was 115% of the employment goals statewide.



**DSS** began statewide implementation of the act January 2, 1996. However, DSS could not fully implement the FIA until the state had received approval from the federal government through a "waiver" process. This approval was not finalized until July 24, 1996. Until federal approval was obtained, DSS could not put into effect major portions of the reform, such as the strengthened requirements and sanctions for not participating in required training and employment activities. We reviewed critical aspects of the implementation of the FIA, including how DSS has planned for and provided key program support components.

## Planning and Evaluation

DSS used a formal planning process allowing staff at several levels an opportunity to clarify policy and work out day-to-day issues. However, DSS did not have enough time for several tasks to be completed by the January implementation date. These tasks were directly related to program infrastructure, and included:

- ☐ Necessary computer system changes.
- ☐ Hiring and training staff.
- ☐ Establishing local collaborative agreements with other state agencies involved in the FIA.

We recommend that DSS establish a review and evaluation team which reports directly to the state director. DSS has no central evaluation unit that focuses on qualitative program measurement. DSS should establish an evaluation design that would answer questions about program status; identify areas needing improvement; and help demonstrate which policies are the most or least effective.

Because South Carolina is implementing the FIA statewide and has permitted local managers flexibility in allocating resources and designing services, the state has a unique opportunity with many laboratories to study which program experiences are most successful.

## Case Management

The case manager plays a pivotal role in the implementation of the FIA. The success of welfare programs may be attributed in large part to the quality of the case managers. In South Carolina, the job of the case manager combines eligibility determination with work support assistance, with the goal of more intensive case management. However, DSS has encountered some problems in the implementation of this new system of case management.

- ☐ DSS anticipated streamlining the eligibility process but has not been able to do so thus far. Case managers are spending time on eligibility when they should be working with clients.
- ☐ The average AFDC caseload per case manager is 118. Original program plans held caseloads to 50 or 75 cases.
- ☐ County staffing is not based on caseload activity. The level of case management needed is influenced by county economic factors, the number of sanctioned clients, family size, length of time on AFDC, and educational level of the client.

DSS has no manpower planning system. Resources were allocated based on percent of the AFDC caseload rather than on local county and regional variations. This may mean the agency has too few or too many staff in place. If there are not enough case managers to provide intensive case management, program outcomes may be less attainable.

**F**or the first six months of the Family Independence program, expenses amounted to \$89,558,750 in federal and non-federal funds.

Total costs for stipends to welfare recipients decreased by \$7,330,712 (almost 7%) from FY 94-95 to FY 95-96. Savings in state funds were \$2.1 million (29.23%). In comparison, \$3.1 million in new state funding was provided for increased staffing and education, training, and employment programs.

In addition, child care costs increased 71% during this time.

Block grant funding of welfare must begin by July 1997 and South Carolina expects to receive close to \$100 million. Federal expenditures for the first six months of implementation were about \$51 million. Any additional funds needed to operate the FIA after July 1997 will have to come from funds saved by reducing welfare rolls or from increased state funds.

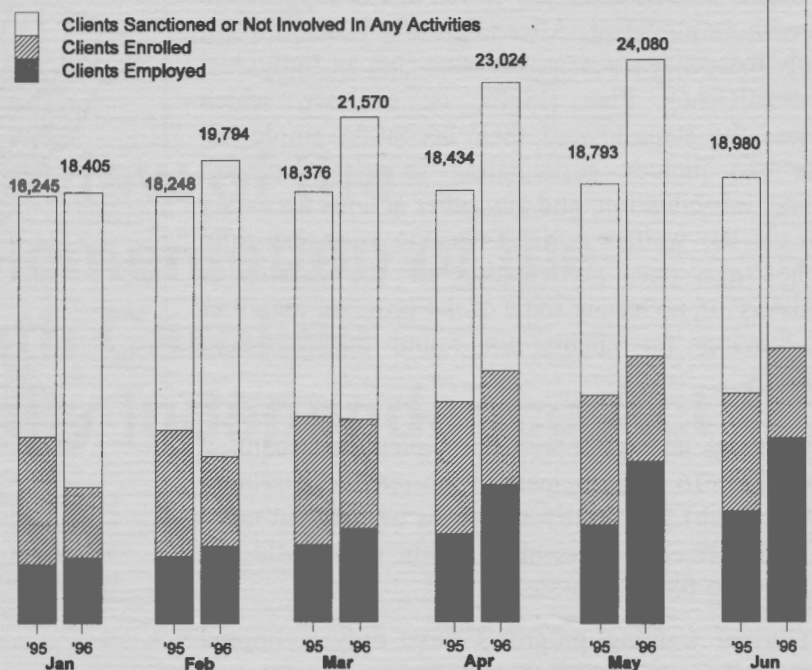
## Reaching the Target Population

Welfare stipends depend on satisfactory participation in employment and training. Based on DSS data, 26,828 individuals had an open case in the work support tracking system; only about 44% were either employed or enrolled in training and education programs.

While overall cases in the work support system are increasing compared to June 1995, the number of clients shown to be *not* involved in either work, education, or training is also increasing.

- ❑ It is possible that many of these individuals actually are participating but tracking data has not been entered into the system. Also, the work support system (W-NAT) cannot fully account for all clients who had jobs before they entered the system.
- ❑ It is also possible that these clients are in an unproductive "holding" status between activities.
- ❑ Thousands of these clients are in a sanctioned status for not complying with education and training requirements.

### Enrollment in Education/Training Activities



The number of "enrollments" in education/training programs makes no distinction between satisfactory and unsatisfactory participation. The number "employed" reflects only those clients who were employed during any particular month and makes no distinction as to length of employment, numbers of hours worked per week, etc.

### Management Information Systems

Current computer systems used by DSS are not capable of providing the support needed to enforce clients' participation in education and training or to evaluate program outcomes, such as reduction in welfare and jobs obtained. In particular, the work support system (W-NAT) has problems in the areas of:

- ❑ **Data Accuracy and Completeness** — The information used to track clients is not entered into the system in a timely or accurate manner.
- ❑ **Automation** — W-NAT is labor intensive and heavily dependent on manual processes.
- ❑ **Reporting Job Placements** — Data on jobs found by Family Independence clients cannot be reported by W-NAT; this information must be collected manually.

Until the computer systems are revised, it will be difficult for DSS or external reviewers to assess agency performance. We recommend that DSS move as quickly as possible to improve its management information system.

### Staff Development and Training

Even though case managers play a key role under the FIA, DSS does not plan to provide substantive case management training until January 1997. DSS estimated that approximately 80% of the case managers have never operated in a work support program before and have not had adequate experience in case management. Case managers need training in client motivation, time management, and job placement for clients.

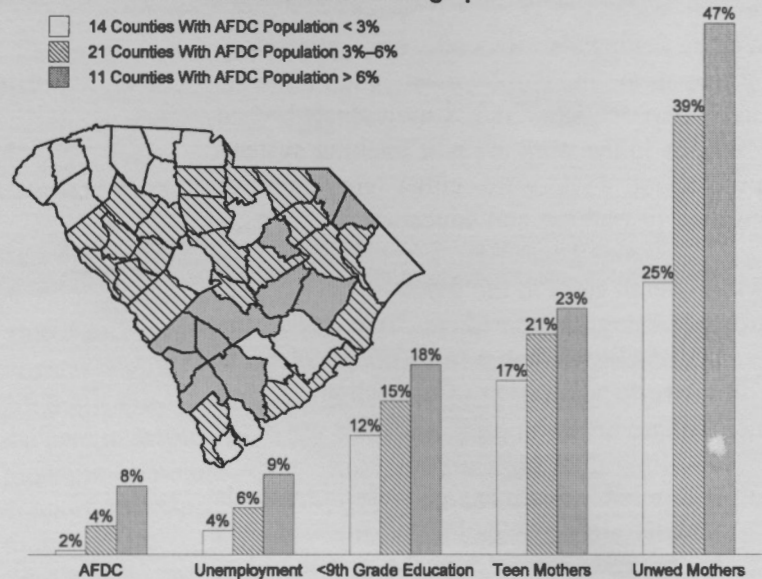
This is the executive summary to our full report, *A Review of the Implementation of the South Carolina Family Independence Act*. Copies of this and all LAC audits are available to the public free of charge. Audits published after January 1995 can also be found on the Internet at [www.lpit.state.sc.us](http://www.lpit.state.sc.us). If you have questions, contact George L. Schroeder, Director.

## Program Components and Related Services

Applicants for welfare benefits now follow a process that begins with an initial job search and is supposed to end with employment. After eligibility is determined, Family Independence recipients must sign an Individual Self-Sufficiency Plan (ISSP), or contract, which outlines the steps toward their becoming employed; these can include participating in education, job training, rehabilitation, and any other actions necessary to leave the welfare rolls. Once the youngest child reaches age one, participation of the parents is mandatory. In reviewing some of the program activities and services for clients, we found the following problems.

- Although all eligible welfare recipients are required by the FIA to participate in job readiness training (job club) and family life skills training, in more than 50% of the counties many clients did not show up for the classes.
- Current training programs have only a limited capacity, are expensive, and do not serve many FI clients. The average test scores for 3,490 clients are on a 5th grade educational level. However, previous contracts for expanded adult education services produced only limited results. Short-term vocational training targeted to specific job skills is needed if recipients are to be prepared for jobs paying above the minimum wage.
- Funding for child care for low-income families comes from a mix of federal funds. In July 1995, the Department of Health and Human Services (DHHS) and DSS committed to giving FI clients priority for these child care funds. This may mean less day care funding for low-income families who have never received welfare. For FY 96-97, DSS projects an increase of about 94% in the number of children needing day care services. While the availability of day care has not yet surfaced as a major problem, a 1995 DSS study found that 18 counties could have a critical shortage of needed day care.
- The role of the job developers is new and still evolving. Job developers work with the private business community to match welfare recipients with available jobs. In order to function more efficiently, the counties should have an organized system that provides a job and client information bank.

## AFDC Rates and Other Demographic Factors—1995



Counties with the highest percentage population receiving welfare (more) also have, on average, the highest rates for unemployed individuals age 18+ with less than a 9th grade education, for teenaged mothers, and for births to unwed mothers.

## Coordination With Other State Agencies

We reviewed DSS's coordination with three other agencies whose participation in the Family Independence Act could be important to its success.

**Employment Security Commission (ESC):** A contract between DSS and ESC did not result in many job referrals or placements for Family Independence clients. Use of the South Carolina Occupational Information System (SCOIS) should improve coordination in the future.

**Vocational Rehabilitation (VR) and Alcohol and Other Drug Abuse Services (DAODAS):** Many referrals of FI clients to VR and DAODAS do not come from DSS; therefore, DSS may not have complete information on what services its clients are receiving and may not enforce participation in components necessary for good employment outcomes.

### Appendices in the Report

- A Summary of the Statutes
- B Flow Chart of FI Process
- C Survey of Case Managers
- D Survey of County Directors
- E Agency Comments



# **A Review of the Implementation of the South Carolina Family Independence Act**





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# Overview of Welfare Reform

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## Scope and Methodology

South Carolina Family Independence Act of 1995 requires the Legislative Audit Council to report on the success and effectiveness of the policies and programs established in this act.

This first report was required "on or about August 31, 1996." Ensuing reports will be issued every two years. In conducting this evaluation, we are required to identify:

- ☐ The number of AFDC families and individuals no longer receiving welfare.
- ☐ The number of individuals who have completed education, employment and training programs under this act.
- ☐ The number of individuals who have become employed and the duration of their employment.

The Department of Social Services began statewide administration of the Family Independence Act (FIA) on January 2, 1996. Complete implementation of the FIA, however, required the approval of the federal government for any provisions that deviate from the broad federal mandate. DSS applied for this permission through the waiver process in June 1995, but the waiver was not approved until May 1996, and was not signed by the Governor until July 25. Until the final terms and conditions of the waiver were established, DSS was not able to enforce major parts of welfare reform.

Also, the passage of the federal Personal Responsibility and Work Opportunity Act of 1996 radically changed the nature of welfare. Its impact on welfare reform in South Carolina is still unknown but will most certainly call for major changes in DSS administration of the AFDC program. In effect, DSS has had to "tinker with the motor while the car is moving."

Therefore, we cannot fully report as to the outcomes of welfare reform in terms of the number of people employed and leaving AFDC due to the Family Independence program. We will present preliminary data but caution that this program has been in effect for too short a time to produce major results. In addition, the information systems currently used by DSS do not provide all the data needed to completely answer the statutory questions.

We have conducted a process evaluation of the implementation of the Family Independence Act by DSS. The act requires DSS to fundamentally change its economic services operations to emphasize employment and training, with a minor welfare component. We reviewed how DSS has staffed and funded the Family Independence program; whether it has expanded education, training and employment services for AFDC recipients statewide; what other services it is offering welfare recipients to help them become self-sufficient; and how DSS is monitoring and enforcing the provisions of the law. The period for our review was from June 30, 1995, (when the act passed) through June 30, 1996. (Please see Appendix A for a summary of the Family Independence Act.)

Our review covers primarily those aspects of the FIA dealing with training and employment of welfare recipients. We did not examine those aspects of the act which strengthened child support enforcement laws. We did not review the teen companion program, which is funded by medicaid and is targeted to young people in welfare families. We also excluded two counties, Sumter and Spartanburg, from our review, because DSS planned to use them as experimental/control groups for a federal evaluation required as part of the waiver process.

### **Methodology**

We used data produced by DSS management information and financial computer systems. However, in some instances these data are not reliable, as noted in this report. We also used other information that DSS collects from county operations. We reviewed a random sample of AFDC client case records in one county, Charleston, which first implemented the Family Independence Act September 1995. We conducted extensive interviews of DSS county and state office staff, as well as staff from several other state agencies involved in welfare reform. We assessed performance based on agency policy, laws and regulations.

We conducted written surveys of 383 case managers, the total identified by DSS excluding Sumter and Spartanburg counties. We received 197 responses for a response rate of 51%.

We also conducted written surveys of 44 county directors, excluding Sumter and Spartanburg counties. We received 35 responses for a response rate of 80%.

This audit was conducted in accordance with generally accepted government auditing standards.



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## Background

Welfare is aid to families with dependent children (AFDC). In South Carolina, AFDC benefits funded by the federal government and the state provide a maximum cash payment equal to 25% of the 1990 federal poverty guidelines (\$200 a month for a family of three with no income, which placed them 51% below the poverty line). This cash payment is intended to cover rent, utilities, clothing, and other necessities.

AFDC eligibility entitles the family to medicaid, food stamps, and free school lunches. It does not entitle the family to free or subsidized housing. Seventy percent of AFDC households in South Carolina receive no housing assistance, 9.2% live in public housing, and 21% receive some form of rental assistance.

In 1988, the U.S. Congress created the Job Opportunities and Basic Skills Training program (JOBS) designed to encourage welfare recipients to obtain the training and education needed to obtain a job. Otherwise, there have been relatively few changes to the AFDC program since it began in the 1930s to provide support to widows and fatherless children.

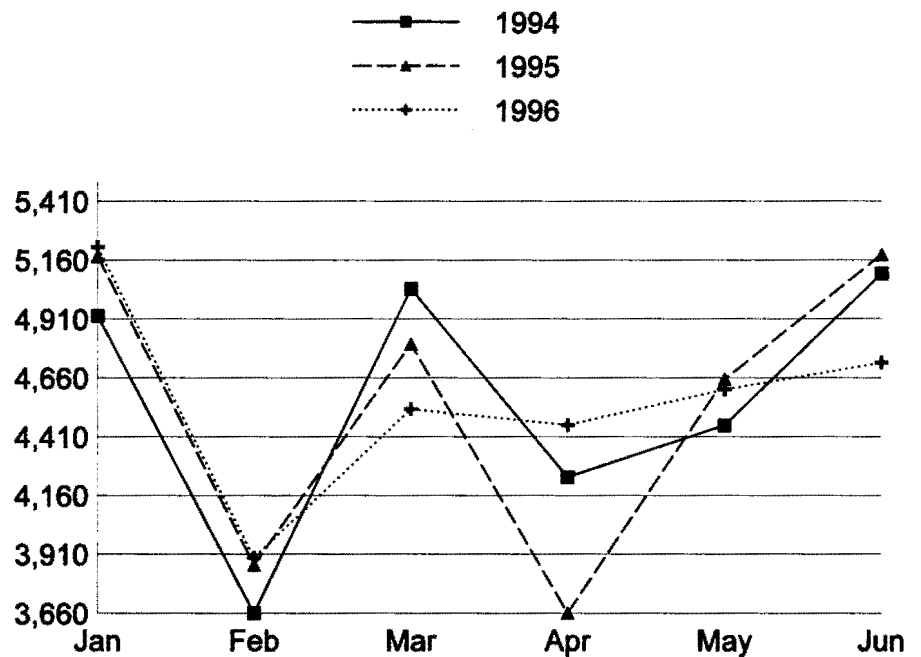
In 1993, 54,000 of 928,200 families in South Carolina received AFDC benefits. South Carolina's benefits were the 6th lowest in the nation in 1992. Benefits were decreased in October 1992 due to DSS budget deficits.

As of June 30, 1996, about 114,000 individuals and 44,000 families in this state were receiving welfare; these numbers began declining before the Legislature enacted welfare reform. On a statewide basis, the average payment per welfare case is currently \$185 a month (a slight decline from the 1993 average of \$189 a month).

Almost all AFDC families have a single head of household. Only about 200 two-parent families received AFDC in any month of FY 95-96.

Although the unemployment rate in South Carolina declined 32% from 1993 through May 1996, applications for welfare benefits have followed cyclical trends. Applications did decline in June 1996 from the previous two years.

**Graph 1.1: Applications for Welfare Benefits**

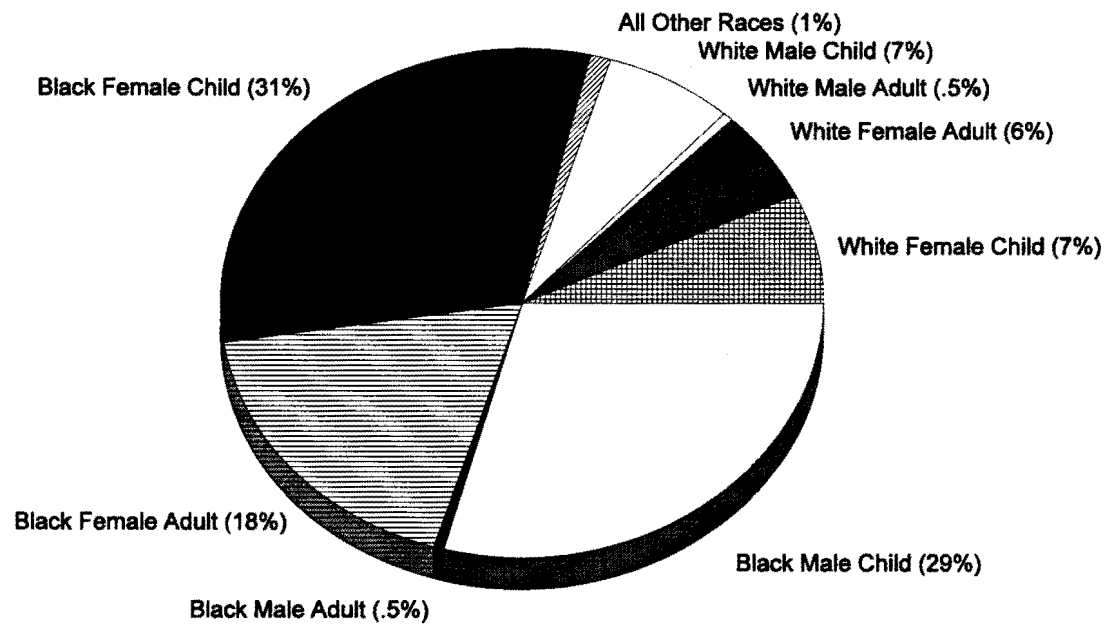


Source: DSS Client History and Information Profile System (CHIPS).

The demographic characteristics of the AFDC population have also remained stable. As of June 1996, 74% were children age 17 and younger, 62% were female, and 79% were black.

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**Graph 1.2: Age, Race, and Sex of AFDC Clients—FY 95-96**



"Child" is age 17 and under.

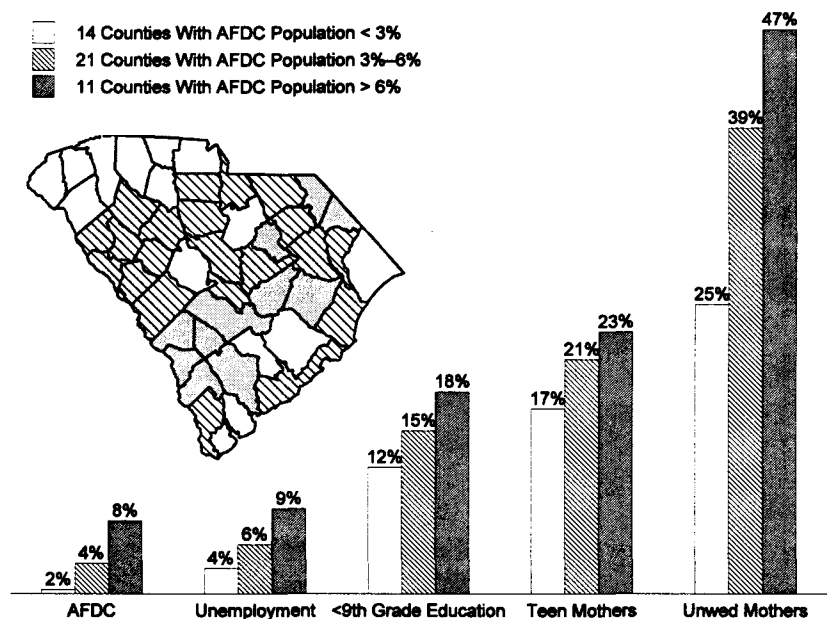
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Source: Client History and Information Profile System (CHIPS).

Welfare should be reviewed in relation to general economic and social conditions in the counties. Counties with the highest percent of population receiving welfare (6% or more) also have, on average, the highest rates for unemployment; for individuals age 18+ with less than a 9th grade education; for births to teenaged mothers; and for births to unwed mothers.

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**Graph 1.3: AFDC Rates and Other Demographic Factors—1995**



South Carolina's counties are first grouped in three categories based on the percentage of the population receiving AFDC. Then, individual county rates for unemployment, etc., (based on 1994 revised U.S. Census data) were averaged to obtain a "group" rate for each of the above factors.

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Sources: DSS Client History and Information Profile System; U.S. Bureau of the Census 1994 revised data; South Carolina Statistical Abstract 1995; Labor Market Information Division, ESC; Office of Vital Records and Public Health Statistics, DHEC.



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## Issues Involved in Welfare Reform

Welfare reform officially began in 1993 in South Carolina with the commitment by the General Assembly to review the state's current needs. Proviso 129.58 in the FY 93-94 appropriation act, as well as House resolution 4190, mandated the creation of a task force which would submit recommendations for reform. The need for changes in the welfare system was propelled by tight state budgets, and the perception that welfare promotes dependency rather than work or savings.

The 39-member welfare reform task force was comprised of members of the General Assembly, former and current AFDC clients, state agency staff, representatives of private business and industry including health organizations, and representatives of private social service and human rights organizations. The task force's overall mission was to maximize strategies to reduce welfare dependency while at the same time minimize fraud and abuse of the system. On January 14, 1994, the legislative task force issued its final report, addressing four main concerns: administrative streamlining; parental responsibility and preventive care; self-sufficiency; and child support enforcement. These issues were incorporated into the South Carolina Family Independence Act of 1995.

Welfare reform in other states, a growing body of literature and research, and media reports outlined the issues the task force had to address. Many of these have major implications for both welfare families and taxpayers. For example, one of the most dramatic changes in welfare would be to limit the amount of time a family could collect benefits. In order to further reduce caseloads, work would be an obligation tied to a reciprocal contract between the government and the individual, specifying the obligations of each. But what would happen if parents refused to comply and, therefore, lost benefits? Would this result in more homelessness and greater poverty for children?

Other major concerns and questions included:

- ☐ Should emphasis be placed on training and education, or on immediate employment? Some suggested letting the market decide who is immediately employable and then provide more intensive forms of education, training, and subsidized jobs for those who cannot obtain employment. Others suggested combining education with occupational training such as Job Corps.

- ☐ Would jobs pay enough to enable people to get out of poverty, or would welfare recipients just end up “under-employed” in low-paying jobs? Would public service jobs, supported by taxpayers, be found when individuals could not find jobs in the private sector?
- ☐ What would happen to individuals who are unable to compete in the work force, and require assistance on an extended or long-term basis? Troubled families, individuals with chemical dependencies, and those with low earning capability would need strict obligations and intensive services.
- ☐ Would allowing more two-parent families to receive benefits increase/decrease welfare rolls? Research suggested that getting off and on welfare was associated with changes in family structure, not in earnings.
- ☐ Would implementing time-limited AFDC without changes in other policy areas such as earned income tax credit, increasing the minimum wage, child support enforcement, and universal health coverage have negative consequences for the program?
- ☐ Would providing affordable child care both for transition and long-term employment have a positive effect? Child care costs in 1990 took up nearly 25% of the poor family’s income.
- ☐ Would limiting family size, and not allowing increased benefits when additional children are born, have a positive effect? Research suggested there was no empirical evidence that this reduces family size, and it may push a family further into poverty.

Research and public opinion identified welfare reform as a values issue; reform was needed because the current system teaches people the wrong values. Receiving cash subsidies while not working and not offering something in exchange is not good for recipients, and is not fair to the community.

The combination of differing research perspectives regarding program outcomes, and the serious consequences of implementing time limits and sanctions, presented a compelling reason for many to have demonstration projects before full implementation. However, DSS staff proposed to the welfare reform task force that, rather than pilot projects, statewide implementation be pursued.

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## **The S.C. Family Independence Act of 1995**

The South Carolina Family Independence Act (FIA) was forged by the Governor's office, the General Assembly, and the DSS staff. Many initiatives of the FIA stemmed from the Governor's office and the fact that DSS had become a cabinet level agency in June 1994. This organizational change assisted the new director and the new Governor in developing a cooperative agreement about the direction that welfare reform would take in South Carolina.

The Family Independence Act became effective June 12, 1995. Section 43-5-1115 of the South Carolina Code of Laws requires the State Department of Social Services to:

... fundamentally change its economic services operation to emphasize employment and training with a minor welfare component. To that end, the department shall expand its employment and training program statewide and coordinate with the existing resources of other state agencies when they are available and it is cost efficient to do so. The agency shall assist welfare recipients to maximize their strengths and abilities to become gainfully employed. Welfare assistance must be provided as a stipend to a family unit as long as there is satisfactory participation in required employment and training activities.

Except as exemptions apply, the act limits AFDC assistance to no more than 24 months out of 120 months, and no more than 60 months in a lifetime. New federal welfare legislation allows those determined to be "hardship cases" to remain on welfare beyond these time limits. In addition, county directors have flexibility in exempting certain cases from time limits.

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## **Program Structure**

The structure of the Family Independence program is based on an expanded version of the education, training and employment units that previously were the work support (JOBS) program. AFDC recipients sign an Individual Self-Sufficiency Plan (ISSP) which outlines the steps they will take to become employed; this can include participating in education, job training, rehabilitation, and any other actions needed to leave the welfare rolls. Once their youngest child reaches age one, participation in the work support program is mandatory. If a minor mother is living at home, the agreement must be signed by the minor mother and her parent or guardian. The Family Independence Act does not change poverty requirements but does make education and training services available to more welfare families.

DSS is required to coordinate services with other state agencies, including the Department of Health and Environmental Control (DHEC); Employment Security Commission (ESC); Vocational Rehabilitation (VR); and the Department of Alcohol and Other Drug Abuse Services (DAODAS). The program also provides transportation and child care for clients who need these services while participating in training and education. The act also provides for transitional child care and medicaid benefits for 24 months after an AFDC recipient finds employment and leaves welfare.

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## Sanctions

Families can lose all or part of their AFDC benefits if they fail to participate in required activities such as the job search, job club or family life skills training. Sanctions can also be applied when the recipient does not:

- ☐ Comply with the educational and training requirements of the ISSP.
- ☐ Accept a bona fide offer of employment.
- ☐ Ensure that his/her minor children enroll and maintain satisfactory attendance in school.
- ☐ Cooperate in trying to establish paternity and collect child support from absent parents.
- ☐ Live in the home of her parent(s) or guardian, if the recipient is a mother under 18 with a child born out of wedlock.

Until the final provisions of the FIA went into effect October 1, 1996, full-family sanctions could not be applied.

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## Time Frames for Implementation

The federal government has allowed states to tailor welfare programs to individual needs through a "waiver process." Until recently, states were required to obtain federal permission, or a waiver, for welfare reform programs that deviate from the broad federal mandate.

DSS applied to the U.S. Department of Health and Human Services for the waiver in June 1995, and received approval in May 1996, contingent upon certain terms and conditions. One modification to the program was the addition of an extra 12 months extension of benefits when an individual diligently seeks employment but fails to find it within the 24-month time limit on AFDC benefits.

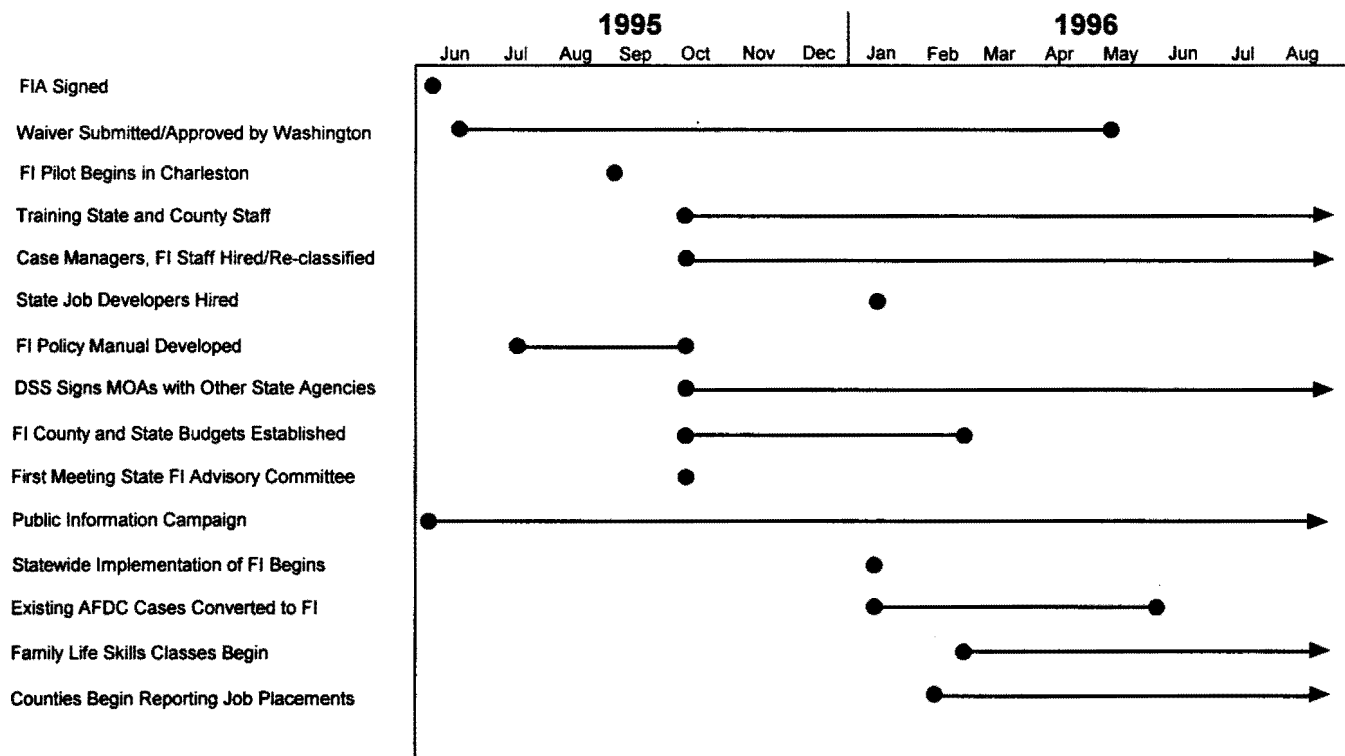


Early in August 1996, President Clinton agreed with the U.S. Congress to allow AFDC funds to be distributed in a block grant to the states. Because South Carolina had the federal waiver prior to this, the state already had the ability to implement major parts of welfare reform.

DSS began establishing the expanded employment and training programs in Charleston on September 1, 1995, and in the other counties on January 2, 1996. *However, until the waivers were approved, DSS could not put into effect the major part of the reforms, such as the strengthened requirements and sanctions for not participating in training and employment.* The waived provisions of the act were implemented October 1, 1996.

The following chart shows the time lines for the implementation of the Family Independence Act.

**Table 1.1: Time Line for Implementation of FIA**



As of August 1996, no regulations had been promulgated; this task was delayed pending the outcome of any proposed state or federal legislative changes to the operation of the program.

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## FIA Budget and Expenditures

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DSS received an increase of \$3.1 million in state funds for FY 95-96 to implement the FIA, which in turn was used to draw additional federal funds for a total of \$10,702,957. DSS also redirected existing resources from economic services and work support activities. As of February 1996, DSS budgeted about \$17 million to be used by counties to operate Family Independence from January through June 1996.

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**Table 1.2: Funds Budgeted for Implementation of the FIA in Counties—FY 95-96**

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Expenditure Category	Amount Budgeted
Salaries	\$9,365,456
Benefits	\$2,595,228
Other Operating	\$2,958,526
Case Services <sup>a</sup>	\$2,784,740
<b>Total</b>	<b>\$17,703,950</b>

a "Case Services" is for supportive and one-time special expenses that may be necessary to help a client prepare for and find employment. These include: transportation, eyeglasses, minor automobile repairs, safety equipment, job-related clothing such as uniforms, and testing fees.

Notes: Does not include Sumter County. Charleston's funds were on a 9-month basis since it began FI in September 1995. New funds were allocated to regions based on the percent of AFDC caseload. Funds for salaries and benefits were budgeted on a 6-month basis for new hires; on a 6.5-month basis for re-directed economic services staff; and on a 9-month basis for work support staff.

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Source: DSS Office of Budgeting and Cost Allocation Systems.

In addition, DSS budgeted \$5 million for state negotiated contracts funded through JOBS for literacy, adult education, job training, and employment services for AFDC recipients in FY 95-96.

Based on financial reports from DSS, we compiled a schedule of expenses for the first six months of the FIA. This included all direct and indirect costs to operate the FI program; child care costs; and welfare subsidies to clients for the six months (see Table 1.3).

Funding welfare as a block grant to states must begin by July 1997. According to DSS officials, welfare block grants will give South Carolina close to \$100 million annually in federal funding. This excludes child care costs, which will be separately funded (see p. 46). As shown on the schedule below, for the first six months of the FIA, South Carolina spent about \$51 million in federal funds after child care costs are excluded. Once block grants are initiated, any additional funds needed to operate the FIA will have to come from funds saved by reducing welfare rolls or from increased state funds.

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**Table 1.3: Six-Month Expenditures for Family Independence—January Through June 1996**

	<b>Total</b>	<b>Federal</b>	<b>Non-Federal</b>
(1) Family Independence Program	\$26,154,945	\$14,065,284	\$12,089,661
(2) Other Administrative Support	\$2,063,274	\$1,031,637	\$1,031,637
(3) Child Care	\$10,671,503	\$8,357,842	\$2,313,661
(4) AFDC Stipends	\$50,669,028	\$35,858,471	\$14,810,557
<b>Total</b>	<b>\$89,558,750</b>	<b>\$59,313,234</b>	<b>\$30,245,516</b>

- (1) Includes all Family Independence county staff such as caseworkers, job coaches, etc; includes related costs for benefits, operating expenses, and client services; includes county-level and state DSS office administrative costs associated with the program; includes all contractual expenses for education, training, and job placement services; includes \$2.6 million in data processing services; and includes indirect costs pro-rated to the program. Funding is a mix of JOBS (Title IV-F), AFDC administrative, and other federal funds.
- (2) Includes other expenditures associated with administering the AFDC program and determining client eligibility.
- (3) Includes Title IV-A funds for child care used for Family Independence clients. This also includes approximately \$2.9 million in Child Care and Development Block Grant Funds that were used for Family Independence child care when the state match for Title IV-A funding was depleted in May-June 1996.
- (4) Total AFDC stipends paid to clients from January-June 1996.

"Non-Federal" is mostly state appropriations but not all of these funds are actually the responsibility of DSS. The state match for education and training providers paid by JOBS money (such as school districts and technical schools) is put up by the providers themselves, and may partially consist of in-kind services. The state match for child care is in the budget of the Department of Health and Human Services; DSS receives the federal funds for child care and is billed by DHHS.

This analysis excludes the teen companion program, medicaid, and food stamps, which AFDC recipients also receive.

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Source: DSS Office of Budgeting and Cost Allocation Systems.

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**Chapter 1**  
**Overview of Welfare Reform**

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# Responses to Statutory Questions and Implementation Issues

## Statutory Questions

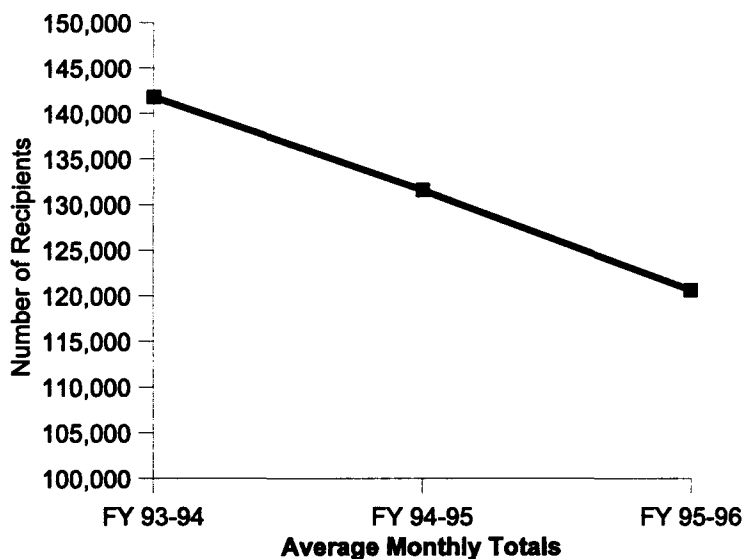
The South Carolina Family Independence Act of 1995 requires the Legislative Audit Council to report this year on the success and effectiveness of the policies and programs created in this act. As stated, all provisions of the act will not take effect until October 1, 1996. Therefore, it is too early to attribute outcomes to and evaluate the success of the Family Independence program. However, information reported by DSS shows that the welfare rolls are being reduced and recipients are finding jobs. We reviewed DSS methods of collecting this information but we did not independently verify it.

Section 43-5-1285 of the FIA requires us to report the following information:

- **The number of AFDC families and individuals no longer receiving welfare.**

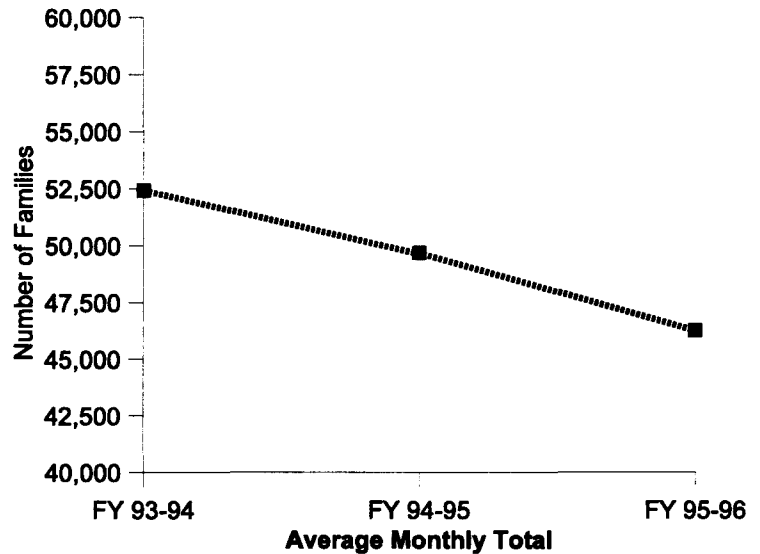
From June 1995 through June 1996, the number of individuals receiving AFDC in South Carolina declined 8.5%, and the number of families declined 8%. This trend started in FY 93-94, well before the FIA was passed, so it is difficult to know whether people left welfare because they found employment or for some other reason, such as moving out-of-state.

**Graph 2.1: Individuals Receiving Welfare in South Carolina**



Source: DSS Client History and Information Profile System (CHIPS). The number of individuals who received an AFDC monthly stipend of greater than \$10.

**Graph 2.2: Families Receiving  
Welfare in South Carolina**



Source: DSS CHIPS. Number of cases receiving an AFDC monthly stipend of greater than \$10.

Total costs for stipends to welfare recipients decreased by \$7,330,712 (almost 7%) from FY 94-95 to FY 95-96. Savings in state funds were \$2.1 million (29.23%). In comparison, \$3.1 million in new state funding was provided for increased staffing and education, training and employment programs for welfare recipients. In addition, child care costs increased 71% during this time (see p. 45).

■ **The number of individuals who have completed educational, employment or training programs under this act.**

DSS computer systems track only participation in education and job training programs, not the number who *completed* the programs. "Participation" was counted as attending a program at least 20 hours a week for 75% of the scheduled hours. Furthermore, DSS computer systems track only the number of individuals per month, and cannot produce an unduplicated count of individuals in education and training programs.

Within these data limitations, we determined that, on average, 2,746 Family Independence clients participated in educational and training programs monthly from January through June 1996. This monthly average accounts for only 21% of the mandatory population (those *required* to participate) during this time. The percentage of the mandatory population participating in education and training programs actually decreased from the previous year; the possible reasons for this are discussed on page 26.

■ **The number of individuals who have become employed and the duration of their employment.**

DSS requires the counties to report the number of jobs found by AFDC recipients since the implementation of the FIA. Under the act, each county has monthly employment goals. A job cannot be counted toward meeting the goal unless the client holds it for at least 30 days, works at least 30 hours a week, and is receiving at least minimum wage. (Part-time jobs of at least 20 hours per week can be counted as half a job placement.) In February 1996, the first month jobs could be counted, 804.5 "countable" job placements were reported by the counties. By May 1996, the counties officially reported 1,298.5 "countable" jobs for that month, which was 103% of the employment goals statewide. However, 23 counties did not meet their employment goals; regionally, 3 of the 6 regions did not meet employment goals. The statewide average was pulled up by those counties achieving more than 100% of their employment goals. In November 1996, DSS updated these data, reporting 1,450 "countable" jobs which was 115% of the goals statewide; 27 counties achieved 100% or more of their goals.

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## Planning and Evaluation

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DSS did not have enough time for several tasks to be completed by the statewide implementation date of January 1996.

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We reviewed the process used by DSS to establish the Family Independence program statewide. As we have noted, DSS staff proposed statewide implementation rather than pilot projects that had been funded in the 1994 appropriation act. We also reviewed the planning and decision-making processes used by DSS to determine if program policy is consistent with DSS's mandate.

The statutes became DSS's strategic plan for the operation of the program. Self-sufficiency policies, as well as the manual and forms, were tested in Charleston County beginning September 1, 1995. Charleston County staff published a summary report and recommendations for improvements in December 1995.

According to DSS staff, a positive aspect of South Carolina's program is its flexibility at the local level. DSS assigned regional administrators the responsibility to ensure that there is consistency and accountability in the way operations are handled county to county. Accountability is required by the FIA since staff are held to job placement benchmarks, and the county directors now serve at the pleasure of the state director.

DSS carried out planning and coordination for implementing the FI program through weekly conference calls and meetings involving county and state office staff as well as regional administrators. A state agency directors inter-agency work group also meets every quarter.

Three primary planning documents were established by DSS for monitoring the implementation of the Family Independence program—status reports, major milestones which were updated quarterly, and county implementation plans used by the counties to allocate the resources they had been given to implement the program.

### Infrastructure Needs

DSS used a formal planning process which allowed staff at several levels an opportunity to clarify policy and work out the day-to-day details. However, some issues may not have been fully addressed.

According to general comments we received from county directors, the delay in the waivers created problems with policy. As a result, they felt policies based on suppositions for the future were constantly being revised during the

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We found no evidence that DSS has a comprehensive plan to establish a central evaluation unit that focuses on qualitative program measurement.

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implementation. Some felt the plan went into effect too quickly, and that local staff had little input on staffing and funding resources. Others identified system or infrastructure problems.

In addition, responses to our survey (see Appendix D) indicated that more than 50% of the county directors believed that job placement goals are achievable, and more than 70% reported that state-level program and technical assistance staff gave them timely assistance. However, from 51%–80% viewed state procurement policies, DSS policies and procedures, implementation time lines, and the management information system as having negatively affected the smooth implementation of the program.

DSS did not have enough time for several tasks to be completed by the statewide implementation date of January 2, 1996. These tasks are directly related to development of an adequate program infrastructure and are more fully discussed on the pages noted:

- ☐ Necessary computer system changes to the two-track system in use (see pp. 22–24).
- ☐ Hiring and training of family independence staff; approximately 41% of the new positions remained unfilled (see pp. 28–35).
- ☐ Establishment of local collaborative agreements or memorandums of understanding (see pp. 50–52).

### **Review and Evaluation**

The measurement and evaluation of program impact is central to successful management of social programs. This process would serve the needs of both the counties and the state. We found no evidence that DSS has a comprehensive plan to establish a central evaluation unit that focuses on qualitative program measurement.

During the first six months of implementation, DSS focused on compliance and process indicators such as the number of AFDC participants in the program, the number receiving training, and the funds being spent on various activities. This type of monitoring is driven by federal requirements. DSS has two offices that collect data on the FI program; both are located in the Office of County Operations, which is separate from the program and policy staff.

- ❑ The office of technical assistance conducts general assistance visits to the counties. Reviews generally address whether the counties have in place all the key components of the act, and if assistance is needed.
- ❑ The office of quality assurance performs monitoring for all DSS programs. According to DSS, they “. . . issue a variety of monthly, semi-annual, and annual reports on their monitoring and will do so for the FI program. In addition, they issue a monthly tabular report for all DSS programs.”

These reviews do not answer questions that DSS state and local decision-makers have about the status of program operations, identifying areas needing improvement, and ensuring accountability for end results. They do not demonstrate which policies are the most/least effective. Analysis of outcome indicators and program variables together allow a determination to be made of which policies are most effective in particular demographic situations. In this manner, program benchmarks and goals can be more realistically established and accountability increased.

Because South Carolina has chosen to implement its program statewide and has permitted regional and county managers flexibility in allocating resources and designing service delivery, the state has a unique opportunity with many laboratories for study of what program experiences are most successful. For example:

***How do demographic and economic differences within a caseload affect results?***

- What variables result in increased caseload activity? For example, what is the relationship between demographic and economic factors and caseload activity?
- What implications does this have for staffing and resource allocation relative to successful program outcomes?

***How should employment and training services be provided? What providers have the best outcomes in terms of cost per client?***

- Percent of clients completing the employment and training course.
- Percent of clients obtaining employment and average wages earned.

***What is the best procedure for diagnosing barriers to clients' employability?***

- How does the statutory benchmark of a 12th grade education equaling "job ready" affect program results?
- What effect does a client's reading level have on program results?

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## Recommendations

1. In order to adequately direct Family Independence resources and achieve the best program outcomes, DSS should establish a review and evaluation team which reports directly to the director.
2. This team should collect and analyze operational and performance information.
  - Overall trends should be studied, as well as the outcomes of specific policies as they are implemented in the individual counties.
  - This information should be used for ongoing redesign of the program and for identifying technical assistance needs in local counties and regions.

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## Management Information Systems for Family Independence

Successful implementation of the Family Independence Act will require support from management information systems. In order to enforce the requirements of the FIA and impose sanctions when necessary, DSS must track AFDC clients as they participate in education and training requirements. DSS also needs management information in order to evaluate the outcomes of the FIA, such as the reduction in welfare and the number of jobs obtained. However, the current computer systems used by DSS are not capable of providing the support needed.

Two major databases are used by DSS for information about AFDC clients. The client history and information profile system (CHIPS) contains demographic and financial data on clients who are applicants and/or recipients of the AFDC and food stamp programs. We did not document any major problems with data from CHIPS.

A second system, the work support system (W-NAT), records the history of clients who participate in education and training programs and tracks a client's work history. The work support system has become a key component in terms of managing the Family Independence program. However, there are major problems with the W-NAT system, as illustrated below:

### ☐ *Data Accuracy*

We found that some of the data on clients in the W-NAT are inaccurate or incomplete. For example, in June 1996 there were 26,828 open cases on W-NAT. For 33% of these cases, there was no record of client activity during June. It is possible that these clients were, in fact, not participating in any education and training programs. DSS staff also stated that the DSS county offices were not inputting data into the system in a timely manner. Once the FIA went into effect, many county staff who had never used the W-NAT system before were required to input data and use the system to monitor their clients.

### ☐ *Automation*

W-NAT is labor-intensive and heavily dependent on manual processes. For example, caseworkers are supposed to receive monthly attendance reports from adult education programs attended by AFDC clients. This information must be manually entered into the system. Caseworkers use numerous paper forms to track client activity, rather than a more automated process.



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Until the systems are revised, it will be difficult for DSS or external reviewers to determine whether the agency is complying with all FIA requirements and meeting program outcomes.

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❑ *System Interface*

Compounding the paperwork problem was the fact that, until May 1996, there was no automated data interface between CHIPS and W-NAT. Therefore, client data already entered in CHIPS had to be manually re-entered on the W-NAT system if the client met the criteria for mandatory participation in work and training programs. Some clients slipped through the cracks, and were not properly accounted for until DSS staff created an automated "bridge" between the two systems. In addition, all information from external agencies, such as education and training providers, must be entered manually into the system.

❑ *System Capacity*

W-NAT was originally designed as a pilot project for four counties. Now it is critical to monitoring compliance with FIA requirements. In an audit of the work support system published July 1995, DSS internal audit staff stated:

Automation and system redesign is imperative. The current labor intensive system simply cannot reliably administer the current volume of cases and will not be able to handle the increased demands projected for the future under Welfare Reform.

DSS staff have made numerous changes to both W-NAT and CHIPS in order to support the requirements of the FIA. This necessitated adding new data screens which could not be used until South Carolina's waivers were approved. Uncertainty about federal welfare policy changes further delayed system revisions.

❑ *Reporting Job Placements*

Despite the numerous upgrades made by DSS computer staff, counties must manually report which clients have found employment under the FIA. Neither CHIPS nor W-NAT have the capability to record all the clients who have found jobs during the initial job search requirement. CHIPS contains status codes as to whether a person is employed, but this information cannot be used to determine if counties are meeting their FIA employment goals. W-NAT also has employment information, but it is not always accurate and uses different definitions of employment than that used for "countable" job placements. Also, as noted, these systems cannot report on the number of clients completing education and training programs (see p. 17).

The W-NAT system was designed mainly to be responsive to federal needs for reporting information, and does not meet DSS management information needs. It remains difficult for DSS management staff to obtain reports from the W-NAT system because of its inflexibility. Reports that are not regularly produced require re-programming and can take several weeks to obtain.

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## Conclusion

The limitations of the work support system affect the ability of field staff to case manage their clients. It also makes it difficult to monitor progress made under the FIA and to obtain accurate information on program activities and costs. Until the systems are revised, it will be difficult for DSS or external reviewers to determine whether the agency is complying with all FIA requirements and meeting program outcomes.

DSS is reviewing its computer systems to determine what further changes need to be made in order to support the FIA. In doing so, DSS is looking at systems used by other states to determine if the technology can be adapted to South Carolina's needs. It is possible that CHIPS and W-NAT may need to be replaced. Major system acquisition could take several years to implement.

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## Recommendation

3. DSS should move as quickly as possible to improve its management information systems for the FIA. In doing so, it should consider the following related issues:
  - The need to streamline paperwork in conjunction with a move toward a paper-less environment for case managers.
  - New federal legislation which makes welfare a block grant to the states and will radically change federal reporting requirements.
  - The need to look at its management information system as part of an overall evaluation design that would allow DSS to obtain integrated information on program outcomes and unit costs.

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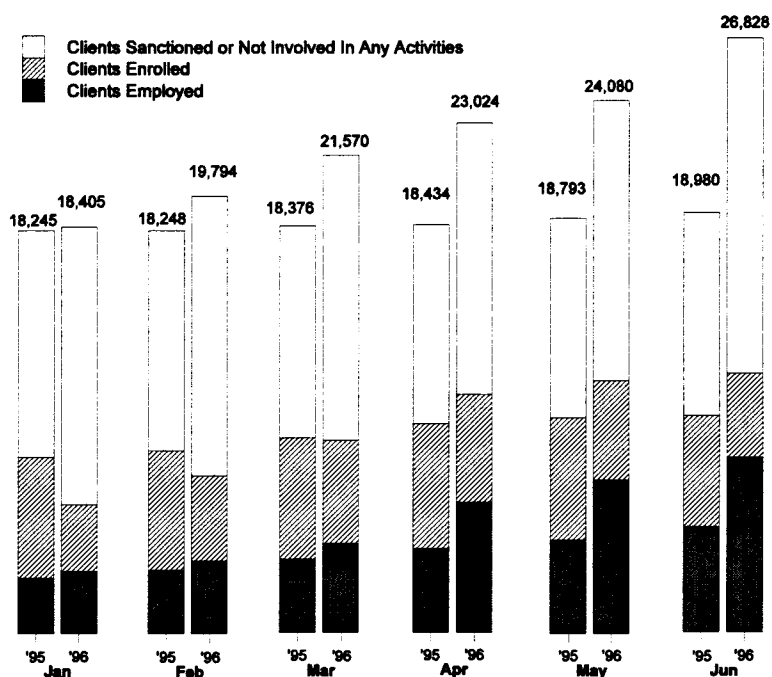
## Reaching the Target Population for Family Independence

The FIA requires that DSS emphasize training and employment. Welfare assistance is to be provided as a stipend, as long as there is satisfactory participation in required employment and training activities. Based on DSS data, in June 1996, about 44% of the Family Independence population were either employed or enrolled in training and education programs.

Previously, in the work support (JOBS) program, clients were required to participate in education and training after their youngest child reached the age of three, and the focus historically was on federal participation requirements, not on whether a welfare recipient found employment and left the AFDC rolls. Under the FIA, all AFDC recipients are required to participate if they are between the ages of 18-59, are not disabled or caring for a disabled person, if their children are aged one year or older, and if they are not otherwise exempted for good cause. Clients who are exempted can "volunteer" to participate.

DSS reports show that 32,207 AFDC recipients met the criteria for participation as of June 1996. Of these, 26,828 individuals had an open case in the work support tracking system (W-NAT). Graph 2.3 shows work support monthly enrollment statistics for the first six months of 1995 compared with January through June 1996. These numbers include all open cases in work support — mandatory, voluntary and sanctioned clients. The activities that clients can participate in include orientation, assessment, high school or GED education, job skills training, job readiness training, post-secondary education, on-the-job training, and job search.

**Graph 2.3: Enrollment in Education/Training Activities**



The number of "enrollments" in education/training programs makes no distinction between satisfactory and unsatisfactory participation. The number "employed" reflects only those clients who were employed during any particular month and makes no distinction as to length of employment, numbers of hours worked per week, etc.

Source: Monthly Participation Reports WS109FR07, DSS Office of Family Independence.

Graph 2.3 shows that while overall cases in the work support system are increasing since Family Independence, the number of clients shown to be not involved in either work, education, or training is also up. It is possible that many of these individuals actually are participating but data to track this have not been entered into the system. Also, W-NAT cannot fully account for all clients who had jobs before they entered the system. It is also possible that these clients are in an unproductive "holding" status between activities. Also, thousands of these clients are in a sanctioned status for not complying with education and training requirements. Until the waivers were approved, the

most any client could lose was \$41 a month, and they could not be dropped entirely from the welfare rolls. The FIA now allows DSS to drop the entire family from the AFDC program if the head of the household refuses to participate in education and training programs and/or refuses to look for or obtain employment.

DSS also is required to report participation rates to the U.S. Department of Health and Human Services. Federal participation rates are based on a formula and account for those clients participating at least 20 hours a week in education and training components. As of June 1995, DSS reported a work support participation rate of 35.2%; as of June 1996, this had dropped to 18.3%. Actual rates of participation vary between counties; in June 1996, the rate of participation ranged from 5.4% to 39.9%.

DSS's experience with work support is not uncommon; national research has found that this program does not reach a majority of the AFDC caseload. However, counties where participation rates are low may lack the ability to effectively case manage clients, thus allowing them to collect benefits without doing anything in return. Research has shown that getting eligible welfare recipients enrolled in work support programs, and enforcing their participation in them, has the most impact in moving people toward employment.

DSS staff have stated that as of October 1, 1996, they will require Family Independence clients who are unemployed and "between" education and training activities to participate in unpaid work experience in either the private or public sector. This may be a low-cost and effective way of expanding training opportunities for the thousands of clients who are not currently engaged in employment, education, or job training activities.

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## Recommendations

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4. DSS should focus first on ensuring that the Family Independence target population is enrolled and tracked through the computer system.
  5. DSS needs to ensure that clients who are unemployed or underemployed participate in job readiness, training and education components.
  6. DSS should expand work experience opportunities for Family Independence clients and require them to participate.

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## Case Management

We reviewed the role of the case manager, a key part of the Family Independence program. During the first six months of implementation, we observed some barriers to the effective implementation of this pivotal staff function.

According to DSS staff, the success of welfare programs is attributed in large part to the quality of the case managers. One of the biggest differences between South Carolina's previous work support system and the FI program is the combined eligibility determination and work support functions. This approach may be new among welfare reform states.

Formerly, a client would go to the eligibility caseworker for AFDC determination and to the work support worker for work support assistance. Now the self-sufficiency case manager sees the client for everything, with the goal of more intensive case management.

The caseworker works with other specialists. These include: the family life trainer or adjustment specialist; the job developer; job coach; assessment specialists; supportive services specialists; and the outside resources DSS can use for education and training.

### Case Management Problems

However, DSS has encountered some problems in the implementation of this new system of case management.

- ❑ DSS anticipated streamlining eligibility processes but has not been able to do so thus far. Case managers are spending time on eligibility when they should be working with the clients. On average, case managers reported they are spending about 20.4 hours per week on eligibility determination. The paperwork is redundant and overwhelming. Case managers have been keeping three reports on each client; CHIP, W-NAT and manual (see p. 22). With an intensive work program, DSS will not need to constantly monitor client eligibility.

Additionally, 43% of case manager survey respondents reported that they do not use computers for interactive interviewing. This requires them to write notes during the interview and enter this information into the computer at a later time. Only one county reported using automation to develop client individual self-sufficiency plans (ISSP). According to state-level DSS staff, this is a policy issue at the county level and may be related to local funding or physical infrastructure.

- ❑ The 90-day case conversion (January through March) requirement set by DSS took precedent over other things at a time when counties were not fully staffed. Approximately 31,000 cases had to be converted. This required a face-to-face appointment with every client to review FI program requirements. According to staff, clients have been resistant to FI, and the case managers have had to spend much time scheduling clients for case conversion when clients failed to show up.
- ❑ According to staff, prior to FI, caseworkers had a client load of about 130 cases; based on our survey of case managers, the average AFDC caseload per case manager was 118 in the first quarter of implementation. However, original program plans hold caseloads to 50 or 75. Smaller caseloads were anticipated to allow for more intensive case management and follow-up.

As of May 1996, 462 case managers were employed. Some counties have experienced vacancies. According to staff, the problem is more severe in rural counties which have a smaller hiring pool.

- ❑ County staffing is not based on caseload activity, which is related to client factors as well as county and regional variations. For example, sanctioned individuals comprise at minimum 24% of the AFDC caseload. Under FI the case manager has to individually meet with sanctioned clients, and if the clients refuse to comply, begin the process of removing the case from the welfare rolls. October 1, 1996 is the start date for full-family sanctions, which may increase caseload activity. Family complexity, length of time on AFDC, educational level of the client, and household size influence the level of case management needed.
- ❑ Availability of child care, transportation, and jobs may directly affect the case manager's ability to meet job placement goals. The benchmark was set at 4.5 job placements per month. DSS staff who fail to meet placement goals, theoretically, could be penalized.

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One major cause of these implementation problems is that DSS has no manpower planning system and, therefore, has not allocated resources to local offices based on county and regional variations.

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Other FI staff could perform some case manager functions without endangering the concept that the case manager is the chief point of contact with the client. Eighty percent of case managers surveyed also indicated they needed more hands-on, technical assistance from the state office.

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One major cause of these implementation problems is that DSS has no manpower planning system and, therefore, has not allocated resources to local offices based on county and regional variations. For example, DSS has not conducted time studies to measure activity in the system. Also, 39% of the case manager survey respondents found methods used to allocate caseloads in their counties to be inequitable. In projecting county needs, the state office allocated resources according to the regional AFDC caseload. The regional directors then allocated the resources for the counties.

An inadequate system for allocating resources may mean that the agency has too many or too few staff in place. If there are not enough case managers to perform intensive case management, program outcomes may be less attainable. For example, we observed that home visits are rarely performed. Home visits can provide an opportunity to observe if child welfare issues are present.

According to case manager survey respondents, more time is needed for developing and coordinating the ISSP. Self-sufficiency plans we reviewed did not appear to be comprehensive or contain “. . . all assignments both present and future required to lead the client to self sufficiency . . .” as required by FI policy. Most of the services planned were mandatory activities such as family life skills and job club. Eighty percent of case managers surveyed also indicated they needed more hands-on, technical assistance from the state office.

### **Staffing Alternatives**

Other FI staff could perform some case manager functions without endangering the concept that the case manager is the chief point of contact with the client. Case manager survey respondents recommended that:

- ☐ Administrative staff could assist the case manager to a greater degree by tracking clients in their program components, keying in information to the CHIPS and W-NAT systems, setting up appointments, and administrative referring/processing of clients to their next component. About 65% of county directors indicated a staffing need in the administrative/clerical area.



- ❑ Specialist staff could also assist the case manager by checking or verifying employers contacted during the initial job search, monitoring the 60-day job search, referring clients to the job developer, performing job follow-up, assisting in conciliations for those that failed to participate, and handling child care and transportation paperwork and arrangements.

Additionally, DSS could review staffing alternatives such as creating an interim position (perhaps case manager trainee) which would allow recent college graduates to be hired and obtain the one year's experience before being promoted into a case manager's position. Another approach might be "counselor teams" which could serve more clients at one time than a single case manager.

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## Recommendations

7. DSS should place a high priority on streamlining the eligibility determination process.
8. As part of a review of streamlining paperwork requirements, DSS should evaluate technology needs of case managers and provide adequately for these needs.
9. DSS should develop a manpower planning system that can be used in allocating resources to local offices. The system should take into account client factors and caseload size, as well as county and regional variation.
10. DSS may wish to examine its job placement benchmark and include other annual goals and benchmarks such as the development of a specified number of individual plans and a specified number of cases meeting job retention goals.
11. DSS should review staffing alternatives that will allow for more intensive case management from case managers.

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## Staff Development and Training

We reviewed DSS training plans for state and local FI staff to determine if training objectives tied directly to job performance and were related to the needs of the different counties and regions. Current training objectives are based on a review of policies, procedures and administrative processes. Additionally, all training funds are expended through the state office.

DSS has used the same three training units since 1989. According to SDT staff, units are redesigned only when a policy change occurs. For the Family Independence Act, this meant adding those new policies and procedures to the existing units. DSS training expenditures related to AFDC were approximately \$218,000 for January through June 1996.

DSS employs some 617 staff who work directly with clients. This includes self-sufficiency case managers, work support services staff, and job developers. After they receive the initial policy and procedures training from SDT, there is no continuous training track that provides substantive training that is tied directly to job performance.

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## Case Manager Training

DSS has not developed training that meets the needs of all levels of FI staff. Even though case managers play a key role under the FIA, DSS does not plan to provide substantive case management training, such as counseling, job placement, etc., until January 1997.

Case managers are required to provide intensive case management, including counseling and guidance. They also must possess the ability to analyze and synthesize data; assess community resources; develop employment opportunities; and demonstrate positive communication and interpersonal skills. Case managers must work with clients, as well as their children and families, and must be knowledgeable about child welfare issues.

DSS staff estimated that approximately 80% of case managers have never functioned in a work support program before and, therefore, have not had a lot of experience in case management. Fifty percent of the case managers responding to our survey did not find that the training provided had prepared them to function adequately as a case manager.

Approximately 60% of a case manager's time is to be spent:

- Developing a client plan.
- Providing, facilitating and coordinating services on the plan.
- Monitoring progress and providing counseling.
- Ensuring child care and transportation services.
- Assisting in job search development and placement.

For example, case managers need training in the following areas:

- ☐ Motivational training in order to change the attitudes of clients. Case managers see clients over and over again for conciliation (counseling).
- ☐ Additionally, with the new processes and increased case manager activity loads, there is a need for time-management training. We found that in the first six months of FY 95-96, compared to the same period in FY 94-95, overall cases in the work support system increased (see p. 25).
- ☐ Case managers who were previously evaluated on the accuracy and timeliness with which they processed eligibility and food stamp applications, will now be evaluated on the number of job placements they make; this is a measure that requires the synthesis of all case manager skills.

County directors responding to our survey indicated that training in the areas of career counseling and motivational/attitude was inadequate. Between 73%–90% of case managers reported training is needed in case management, career development and counseling, basic counseling/psychology, time management, and communication skills.

SDT staff indicated that some training sessions had been postponed in order to incorporate the terms and conditions which were awaiting approval of the U.S. Office of Human Services. However, case management training could have been provided regardless of the status of the terms and conditions.

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## Training Effectiveness

DSS does not have a formal system of measuring training effectiveness, nor does it measure whether staff learned or applied correctly what was taught.

According to SDT staff, they evaluate training results through the use of two rating forms that generally address the quality of the instructors and materials. Data on these forms are not summarized or used constructively towards

improving the program. According to SDT staff, redesign of the DSS training program is primarily driven by computer system and policy changes.

Additionally, technical assistance staff who review local operations may have information on training needs. Information from technical assistance reports could be considered when making training decisions.

We could not determine the training status of FI staff by county or course level. DSS does not consolidate training attendance records and could not provide us a count of those that had received training from SDT. Data from the counties regarding staff who attended training is also not consolidated. DSS does not know how many staff have been trained.

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## Recommendations

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12. DSS should consider the following steps in designing training appropriate for all levels of staff:
    - Conduct an assessment to determine training needs and priorities.
    - Ensure that training programs identify different types of knowledge, skills, and work habits staff need to develop.
    - Identify the skills needed to perform the tasks associated with the FI program, and to what extent the staff possess them.
    - Ensure that the training program relates to the local needs of the different counties and regions.
  13. DSS should consider establishing state standards and budgeting some training funds at the local level. Regional and county directors should be held accountable for meeting established training program standards.

14. DSS should consider:

- Developing pre- and post-testing of students.
- Documenting student achievement through the use of tests and measurements.
- Evaluating what learning activities are working best and what additional training is needed.
- Performing on-the-job follow-up evaluation to determine changes in staff behavior.
- Evaluating indicators of tangible results for the organization such as client reactions, productivity, and turnover.

15. DSS should track training by staff person and course and ensure that all staff receive necessary training.

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**Chapter 2**  
**Responses to Statutory Questions and Implementation Issues**

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# Program Components and Related Services

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## Review of Family Independence Program Components

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In our survey of case managers, 58% responded that at least half of their Family Independence clients, while meeting the definition of job ready, really needed assessment and training prior to job placement.

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Under the Family Independence program, applicants for welfare benefits follow a process that begins with an initial job search and is supposed to end with employment. Throughout this process, DSS is required to be helping clients obtain the services they need to become more self-sufficient (see Appendix B).

In reviewing the first six months' implementation of the Family Independence program components, we found the following issues/problems.

### Initial Job Search

In order to be approved for welfare benefits, individuals required to participate in Family Independence must first engage in a self-directed, two-week job search making contact with 10 employers. The theory behind this requirement is that the labor market is the best initial judge as to who is employable.

At the time of this review, DSS was manually collecting data from counties on how many applicants actually found employment during the two-week job search. Initial reports were unreliable, and DSS has not yet summarized this data. Therefore, we were unable to obtain information on how many individuals obtained jobs during the initial job search. DSS staff have stated that they plan to follow up, possibly through surveys or mail-in cards, on whether applicants for welfare are finding employment through the initial job search.

Until the federal waiver was signed, DSS could not deny welfare benefits to individuals who refused to conduct the initial two-week job search. There are some indications that the initial job search is not being used as a serious attempt to find work. For example, applicants are not required to have the employers they contact to sign the form. Also, in our survey of self-sufficiency case managers, 42% stated that the initial job search was not an important factor in helping clients become self-sufficient.

### **“Job Ready” vs. “Not Job Ready”**

The FIA requires that welfare recipients who are determined to be job ready “must be enrolled in a job club. Following participation in a job club, the applicant must conduct a job search for . . . no more than 60 days.” Job ready is statutorily defined as having been employed for 12 out of the previous 24 months or having a high school diploma or GED. Individuals who are not job ready go through an assessment to determine their education and training needs.

However, there are some clients who may have a high school diploma or a GED but have never worked and have been on welfare for many years. Such individuals are not truly job ready but they are required to go through the job club and the 60-day job search before obtaining the services they need to become employed. These individuals could benefit more by participating in job training or unpaid work experience first since educational achievement is low for work support clients. In our survey of case managers, 58% responded that at least half of their Family Independence clients, while meeting the definition of job ready, really needed assessment and training prior to job placement.

Conversely, some clients, especially those who do have an employment history, may not need job club and could be referred directly to Employment Security Commission or a job developer for employment. In either scenario, inflexibility in the law may delay an individual’s entry into available jobs or into the services needed to obtain meaningful employment.

### **Job Club and Family Life Skills Training**

All eligible welfare recipients are required by the FIA to participate in job readiness training (job club) and family life skills training. Family life skills training and job club typically last about one to two weeks. By June 1996, job clubs and family life skills training for welfare clients had been initiated statewide by DSS. Job clubs in at least 10 counties had a waiting list; for example, by June, one large county had filled available job club slots through to September. This could delay subsequent job search and job placement for these clients.

Also, 27 counties experienced no-show rates of 50% or more when clients scheduled to attend job club did not show up for classes. This poor showing may be influenced by the lack of true enforcement capability on DSS’s part, since the full enforcement power of the act was not yet implemented. As with the job club, 28 counties experienced a no-show rate of 50% or more for family life skills classes. As of October 1, full enforcement power of the act is in place,



and clients who fail to keep job club or other mandatory appointments will be ineligible for benefits.

Overall referrals of DSS clients to job readiness training (job club and family life skills combined) have increased, however. The average monthly enrollment in job readiness training was 78 clients for 1995; in June 1996, 1,004 clients were enrolled in job readiness classes. For April through June the cost per client for job readiness was \$123. In our survey of case managers, 93% considered job readiness training to be important in helping clients become self-sufficient.

### **Assessments**

DSS specialists perform an assessment of clients who are not job ready. Assessments are usually scheduled as a group session lasting about six hours. As with the other Family Independence initiatives, many of the clients scheduled to attend these sessions did not show up. The purpose of the assessment is to identify a client's strengths and weaknesses in order to identify what services are needed to help the client overcome barriers to employment. Statewide, the average cost per FI client for orientation, assessment, and the ISSP was \$253 in April-June 1996.

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The basic assessment instrument used by DSS results in only a general view of a client's needs.

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The basic assessment instrument used by DSS results in only a general view of a client's needs. For example, in the Charleston records we reviewed, the same barriers to self-sufficiency — lack of education, lack of training, lack of child care, and so on — were found whether or not the client had been assessed. Furthermore, the assessments did not result in very specific self-sufficiency plans (see p. 30). The case workers often identified client needs, such as the need for family life skills training, that DSS is required by law to provide anyway. Also, the basic assessment form duplicated information required by other Family Independence forms.

Other state agencies and service providers also assess DSS clients who are referred to them for services. Vocational Rehabilitation (VR), for example, does a two-week, comprehensive orientation and assessment that identifies a client's physical, mental, and psychological barriers to employment. Technical colleges and adult education programs may perform detailed educational assessments. Local memorandums of understanding are supposed to address coordination of assessments when clients are jointly served.

DSS policies state that Family Independence clients should be referred to VR, the Department of Mental Health, or another appropriate agency when a more detailed assessment is needed. This is left up to the discretion of the assessment specialist and the case manager.

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## Recommendations

16. DSS should maintain separate statistics on the number of jobs found by applicants during the initial job search in order to evaluate the effectiveness of this requirement.
17. DSS should track employment results for clients determined to be job ready. If a substantial number of these clients do not find jobs, then DSS should recommend that the General Assembly reconsider the definition of job ready to allow more flexibility in deciding what services are needed by individual clients.
18. DSS should ensure full participation in job club and family life skills training.
19. DSS should review the assessment process to ensure that it results in an individualized assessment of clients' strengths and weaknesses, as well as ensure that it does not duplicate information already obtained.

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## Expansion of Education and Training Services

The FIA requires DSS to "expand its employment and training program statewide" and, in doing so, complement and maximize existing resources within state agencies and the private business community for education and job training. We determined that implementation of this is underway, although opportunities for job skills training need to be developed for more AFDC recipients.

The FIA requires DSS to work in conjunction with the State Department of Education (SDE) and the State Board for Technical and Comprehensive Education (SBTCE) to provide these services. DSS was in the process of developing memorandums of understanding and contracts during the course of our review. Also, as required by the FIA, DSS and SBTCE made their first joint report to the Governor and the General Assembly this January 1996.

Services to be provided or coordinated by DSS include literacy classes, adult education leading to a GED or high school diploma, technical college courses, specific vocational and job skills training, unpaid work experience, and on-the-job training. During June 1996, out of a potential target population of 32,207 individuals, FI clients were enrolled in these components as follows (a client may be enrolled in more than one component):

- ☐ 758 Clients in Educational Activities
- ☐ 261 Clients in Job Skill Training
- ☐ 374 Clients in Post-Secondary Education
- ☐ 43 Clients in Self-Initiated Education
- ☐ 20 Clients in On-the-Job Training
- ☐ 242 Clients in Work Experience
- ☐ 4 Clients in Work Supplement

We identified problems in funding and capacity of targeted vocational training for AFDC clients, and also reviewed issues involved in adult education.

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### No Funding Source of Technical College Tuition

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Although the FIA requires DSS and SBTCE to develop curriculums that target and train AFDC clients, there is no source of funding for non-credit technical college courses. According to DSS, the agency has no legislated authority to develop funding sources for vocational training. DSS primarily uses federal JOBS funding to help pay for education and training services for AFDC clients. The local providers (such as school districts) put up the non-federal match for the funding. From January through June 1996, education services and job skills training for AFDC clients cost almost \$4 million. This paid for expanded adult education and literacy, GED classes, some services for post-secondary education, and special job skills training.

JOBS funding will pay for only certain kinds of vocational training, however, and cannot be used for regular technical college tuition. Other sources, such as federal student loans and Pell grants, are usually available only to students in one-year diploma and two-year degree programs. Job Training and Partnership Act (JTPA) funds pay for vocational training and education but capacity is limited. In addition, JOBS funding was reduced 28%, retroactive to October 1, 1995, by the federal government. DSS has absorbed some of this cut-back by scaling down a \$1.4 million contract with Employment Security Commission (ESC) (see p. 50). DSS also is not renewing 19 contracts for adult education and literacy.

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## Increased Opportunities for Training Needed

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Short-term vocational training, targeted to specific job skills, is needed by many AFDC recipients if they are to be prepared for jobs paying above minimum wage. Currently, training programs have only a limited capacity, are expensive, and cannot serve many FI clients.

### ☐ *Urban League*

One example of a targeted program is the office and computer skills training program designed specifically for AFDC clients and run by the Urban League in Columbia and Greenville under an agreement with DSS. This is an intensive 12- to 14-week course that includes internships in area businesses, and serves about 45–70 students per year at each location. According to data received by DSS:

In Greenville, from September 1993 through May 1996, 79% of the enrollees graduated from the program, and of these 95% found employment. The cost per student as of December 1995 was \$2,469.

In Columbia as of June 1996, 95% graduated and 60% found employment. These data are incomplete; the Columbia program anticipates a 75% employment rate. The cost per student was \$3,199.

We are unable to determine job retention rates for this program.

❑ *Bright Futures*

Another training program is Bright Futures. This is a contract between DSS and the Department of Corrections (DOC) to train AFDC recipients to become correctional officers. In FY 95-96, Bright Futures placed 48 AFDC recipients in jobs with DOC and the Department of Juvenile Justice. While the cost per client was high (\$4,909), the Bright Futures graduates have a better job retention rate than other correctional personnel.

❑ *OJT, Work Experience*

Other sources of training include on-the-job training (OJT), work supplementation, and work experience. This training helps FI clients develop job skills and generally does not require direct funding from DSS. OJT is funded through JTPA and can be combined with tax credits for employers. Work supplementation is funded by using a portion of the client's AFDC subsidy to help employers offset salary costs (for up to nine months of full-time employment, with benefits). Work experience is un-salaried work in private or public institutions by AFDC clients who need actual work experience before they can move into paid employment. DSS is in the process of expanding the capacity of these programs, which as of June 1996 did not serve many clients (see p. 41).

❑ *Tech Special Schools*

Finally, tech special schools can also provide specialized job skills to AFDC clients. These are short-term courses conducted by the technical colleges in response to the training needs of new and expanding businesses. The training is designed to company standards and may use company equipment. There are usually no requirements for previous experience. While there is no guarantee of employment, clients who complete the course will have some level of technical training. DSS does not maintain data on whether AFDC clients are being referred to tech special schools and if any have completed this type of training.

Expanded opportunities for job skills training are needed by AFDC clients if they are to leave welfare dependency permanently. In addition, 98% of the caseworkers responding to our survey felt that job skills training was important to helping AFDC recipients become independent. At the same time, 70% of caseworker respondents agreed with the statement that there were not enough job skills training programs available to AFDC clients.

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## Adult Education is Needed but Results May be Lacking

A lack of education is a major barrier to achieving self-sufficiency for AFDC clients. Overall educational ability is low; according to DSS computer data for 3,490 work support clients, the average score on the Test of Adult Basic Education (TABE) is only 5.6 (this corresponds to a 5th grade, 6-month educational level). While DSS often refers AFDC clients to adult education classes, and had 19 contracts for expanded adult education services, these programs appear to have only limited results.

Based on limited data from some of the adult education contracts from FY 92-93 through February 1995, graduation rates for various school districts ranged from 1.5% of AFDC enrollees to 31%. Drop-out rates for adult education ranged from 11% to 83%. DSS does not have data showing the number of GEDs or high school diplomas obtained by AFDC recipients through adult education classes funded by the contracts.

Low educational levels may reduce the number of FI clients who can take advantage of job training opportunities. For example, the Urban League computer and office skills program requires a score of 8.9 or higher on the TABE. The JTPA program requires that students read on at least an 8th grade level. Technical college non-diploma or non-degree courses do not necessarily have reading and math requirements, but a minimum reading level is required.

At the same time, FI clients do not have unlimited amounts of time to obtain an education, as they must find jobs within 24 months. Also, research has found that protracted education programs which are not directly linked to employment do not have a major impact. Studies to date cannot clearly show the role of adult education in increasing employment or earnings for AFDC clients.

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## Recommendations

20. DSS should work with SBTCE and JTPA to make more funding available to provide vocational skills training targeted to Family Independence clients.
21. DSS should continue to develop increased opportunities for OJT, work supplementation, and work experience for FI clients.

22. DSS should ensure that as many AFDC clients as possible are referred to tech special schools when these are available.
23. DSS should study ways to:
- Link adult education to specific job training programs.
  - Better assess clients to determine who could most benefit from adult education.

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## Child Care

We reviewed the system for funding child care. Under the FIA, AFDC recipients who become employed or who are participating in education and training can receive day care services for their children. AFDC families have increased their use of day care services dramatically since welfare reform began, and the state has been able thus far to use a mix of federal funding programs to pay for it. However, this is putting pressure on funding sources that previously were used to help the working poor, non-AFDC families pay for child care.

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## ABC Voucher System

Child care for AFDC families is provided through the ABC child care voucher system, an on-line, automated management system that allows parents to choose the day care provider. The system is administered by the South Carolina Department of Health and Human Services (DHHS). DSS staff determine eligibility when an AFDC recipient needs child care in order to participate in the education, training and employment required by the FIA.

Child care is available to children who are under age 13 and come from families with income levels at or below 125% of poverty. A family becomes ineligible when their income exceeds 175% of poverty. The ABC voucher system uses different funding sources depending on whether the family is on AFDC, is in a one-year transition period from AFDC to employment, or is considered "working poor."

Most of the child care facilities that participate in the voucher system are licensed, registered, or exempt from state registration (church-run day care). If an unregulated or informal day care provider, such as a friend or relative, is chosen by the parents, DSS processes the day care payments through an in-house system. The unregulated provider signs an agreement with DSS and the day care subsidy is paid directly to the provider. The ABC voucher system

establishes a maximum rate and directly pays the provider the cost of child care not to exceed the maximum rate. Parents must make co-payments of \$3–\$11 a week, depending on their income and the number of children.

Funding for child care came from the federal government through Title IV-A funds which required a state match. Title IV-A funding was comprised of three different programs: Jobs, Transitional, and At-Risk. Also, DHHS receives child care and development block grant (CCDBG) funds, as well as social services block grant (SSBG) funds, that can be used for child care.

In FY 95-96, DHHS had approximately \$3.4 million in state funds and DSS had \$450,000 in state funds to match Title IV-A funds, for total available funds of approximately \$13 million. The state also received approximately \$13.9 million in CCDBG and \$7 million in SSBG funds available to fund child care. Total spending on child care for Family Independence clients and former AFDC recipients from January to June 1996 was \$10,671,503.

Under federal welfare legislation that passed in August 1996, the Title IV-A funding will be combined as a single appropriation to the state as of October 1, 1996. According to preliminary information from the United States Department of Health and Human Services, South Carolina can expect to receive about \$9.9 million in federal funds. These funds require no state match. In order to receive additional federal funds, the state must first expend state funds of approximately \$4.09 million as a maintenance of effort (MOE). The state also must contribute matching funds to leverage the additional federal funds. Potential funds available (if the state puts up the entire share of MOE and matching funds) could total \$27.8 million.

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### Family Independence Clients and Other Working Poor

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In July 1995 DHHS and DSS committed to using child care funds for Family Independence clients who needed day care services. Section 43-5-1240 of the FIA authorizes transitional child care for two years after a parent becomes employed and loses eligibility for welfare. In order to ensure that there will be adequate funds to pay for continued child care for former AFDC recipients, DHHS has stopped serving other working poor (i.e., low-income families who are not Family Independence clients) from Title IV-A funds.



For example, one scenario could be that a grandmother is caring for her grandchildren. She receives AFDC benefits for the children but not for herself, as she is employed and is not part of the benefit group. She is not entitled to receive day care for these children under the FIA, even if her income is low.

Block grant funding is used to provide day care for the working poor (non-Family Independence clients). DHHS also has committed to use the block grant programs to pay for child care for Family Independence clients if and when state match for Title IV-A funds was depleted. (This in fact happened in May and June 1996.) While this ensures continued funding for AFDC recipients and those who have left welfare through employment, it may mean less day care funding for low-income families who have never received welfare.

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## Projected Need for Child Care

From July 1995 through April 1996, the number of children of Family Independence clients receiving day care through the voucher system increased by 52%. For FY 96-97, DSS projects an increase of about 94% in the number of children needing child care services. This assumes a growth rate of 5%–10% per month, with a projected annual expenditure of \$29 million. For FY 97-98, annual child care expenditures are projected to be \$43.6 million.

Availability of day care has not yet surfaced as a major problem, although some counties have few licensed day care slots available to AFDC families. A 1995 study conducted by DSS staff found that 18 counties could have a critical shortage of needed day care slots. Other initiatives currently under consideration in South Carolina, such as full-day kindergarten and 4-year-old kindergarten, may help reduce the need for regular day care.

In our survey of case managers, 30.5% responded negatively to the question of whether they were able to help AFDC clients place their children in licensed day care. Almost 43% of survey respondents said they were not able to help AFDC clients find other kinds of child care when needed. In addition, 32% rated the lack of child care as the most important barrier to self-sufficiency for FI clients.

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## Conclusion

The success of the Family Independence program depends on a significant proportion of the welfare population going to work. In order to do this, clients need child care, and unless they find jobs significantly above minimum wage, will be eligible for child care funded under the Title IV-A and block grant programs.

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## Recommendations

24. DSS and DHHS should continue to cooperate in maximizing federal funds for child care. If additional state funds for child care become available, they should be used to match federal child care funds.
25. DSS should continue to assist Family Independence clients in finding acceptable alternatives, such as child care by relatives, which might cost less than full-time care in a day care center.
26. While Family Independence clients should continue to receive priority for child care funding, DSS, together with DHHS, should continuously review this policy to ensure it does not push working poor families (who have never received welfare) onto welfare rolls because they lack the child care necessary to maintain employment.

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## Job Development

We reviewed the role of the job developer in working with private business and the industrial community to match welfare recipients with available jobs. This is a new position created through the FIA; therefore, the role and impact of job developers is still evolving.

DSS has employed 27 job developers who serve the 46 counties. In addition, at the state level, DSS employs three statewide job developers who have the responsibility for coordinating job development and marketing the program, as well as providing technical assistance to local staff.

The job developer functions as a sales person for the FI program. Primary responsibilities include meeting with business and industry leaders to develop employment opportunities, identifying potential areas of employment, and putting together tax incentive packages. They also meet with local agency heads, technical schools, and college presidents to identify training needs and

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There has been no organized tracking system in the counties that provides a job and client information data bank.

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coordinate job skills training classes for AFDC recipients. Job developers also act as liaisons with ESC staff to maximize resources in developing jobs.

In addition to direct job placement, job developers have the responsibility to develop work experience, on-the-job training, and work supplementation slots for AFDC clients. According to staff, the work experience program has been popular because it gives the employer an opportunity to see the client in action before hiring. OJT and work supplementation share the financial burden of training and hiring new workers.

Additionally, these programs may provide opportunities to place clients who are between activities or who may be part of the expected influx of new Family Independence clients (see p. 43).

Job placement is also a responsibility of other FI staff. The job coach is involved with the job club and its 60-day search where clients may find employment. The case manager is supposed to make follow-up calls after a client has become employed. These positions report to the FI supervisor while the job developer reports to the county director. Communication between these staff, therefore, is very important.

### **Tracking System for Job Placements**

According to DSS staff, there has been no organized tracking system in the counties that provides a job and client information data bank. However, the job placement system needs to function efficiently. DSS needs to be able to respond quickly to requests from potential employers for applicants. Currently, delays occur because some clients do not have a telephone, and scheduling interviews is difficult. If too much time is lost, the job could be filled. Additionally, all placements could become job leads.

Recognizing this problem, the state-level job developers have spearheaded an effort to establish an automated tracking program to be implemented in November 1996. The program will allow the county job developers to centralize pertinent information collected from all employees involved in job placement. Among other things, the system will allow job ready clients to be matched with employers; will confirm client calls on employers; and will retain data on job retention.

Additionally, state-level job developers are surveying staff and developing a model operational approach for the job developer position. They will be providing recommendations based on what they find is working best across the state.

However, since job developers and other local staff report to county directors, the state-level job directors do not have enough authority to influence policy.

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## Recommendation

27. DSS should review the relationship between the state-level job developer staff and county staff to ensure that state-level job developers are able to exercise enough authority to effect procedures that are carried out at the county level.

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## Employment Security Commission's Coordination With DSS

A proviso of the 1996 appropriations act states that, “. . . The intent of the General Assembly is that the Department of Social Services not duplicate services available at the Employment Security Commission . . . .” We reviewed the roles of the two agencies regarding job placement for Family Independence clients. A previous contract between the agencies did not result in many job referrals or placements for FI clients.

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## Contract With ESC

In January, DSS contracted with the Employment Security Commission (ESC) for \$1.4 million to provide 46.5 employees to work exclusively with AFDC clients. ESC was to provide job development and placement services, such as contacting personnel staff of businesses and industries to provide information about the Family Independence program and its clients as potential employees. These efforts were to be coordinated with the local DSS office.

ESC was to make an average of four job referrals and/or job development attempts per client. In addition, ESC was to monitor client participation and notify DSS when clients failed to participate.

At the same time, DSS county offices began hiring their own job developers, who also were responsible for creating employment opportunities and placing AFDC clients in jobs. DSS job developers focus on AFDC clients who many times do not have the job skills and experience and are, therefore, hard to place (see p. 48).

DSS county offices did not maximize the use of the employees paid for by the ESC contract. As of July 31, 1996, DSS has spent \$980,309 on this contract and the ESC reported the following statistics for Family Independence clients referred to them by DSS:

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**Table 3.1: Job Placement Results  
From ESC Contract**

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Number Referred by DSS	4,059
Number Who Reported to ESC for an Interview	2,668 (66%)
Number of Clients Placed by ESC	595 (22%)
Number of Clients Who Found Own Job	403 (15%)
Total Number of FI Clients Employed	998 (37%)
Total Contract Amount Paid by DSS	\$980,309
Cost Per Placement (Placed by ESC)	\$1,648
Cost Per Placement (Total Employments)	\$982

According to ESC officials, DSS was to refer job ready clients to them for placement beginning in January 1996. However, because there was a delay in clients completing the job club, which is readiness training offered by DSS and mandated for FI clients (see p. 38), there was not a large pool of job ready clients. DSS county offices did not refer many clients to ESC—on average, only 12.6 clients per month were referred. Therefore, ESC staff were underutilized and placement costs were higher. According to ESC officials, their typical per-client job placement cost is approximately \$118; under the contract with DSS, the average job placement cost for an FI client was \$1,648.

A contract is not needed for ESC to serve DSS clients; ESC is required by law to provide the same services to *all* who are unemployed. ESC covers the state with county offices and has the primary function of generating jobs and placing applicants. However, DSS officials state that ESC traditionally has not worked with hard-to-place, long-term welfare clients who have deficient job skills.

Family Independence clients may have difficulty competing against other applicants for the same pool of jobs.

Also, DSS needs to know whether Family Independence clients show up for ESC appointments and job interviews, if this is part of their ISSP. DSS contracted with ESC, in part, to provide this information.

DSS has scaled down its contract with ESC keeping only four staff (in Aiken, Dillon, Kershaw, Lee, and Marion counties) to provide these services. Counties still have the option of contracting with ESC and may wish to do so possibly in the place of a job developer. Through April 1996, there were 14 counties which had individual agreements with their local ESC offices for various services relating to Family Independence.

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## South Carolina Occupational Information System

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Section 43-5-1140 of the South Carolina Code of Laws states that the ESC shall, "... provide the department [DSS] up-to-date labor market information ..." and shall also provide DSS, through a contractual agreement, with the South Carolina Occupational Information System (SCOIS). SCOIS is a database of current job openings in the state. DSS can access this system to match the appropriate person to an available job. However, at that point, the client must go to ESC for an interview to be scheduled.

According to DSS officials, SCOIS was fully operational in the counties as of October 1996. This should streamline coordination between the two agencies. The DSS case manager and job developers can use SCOIS to match clients with jobs, and send them to ESC to apply for a specific job. ESC sets up the interview with the employer and refers the FI client. If DSS needs information on whether the client complied, ESC may be able to generate feedback information to DSS periodically for a flat contractual fee.

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## Recommendation

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28. DSS and ESC should investigate the possibility of contracting for feedback reports on Family Independence clients for a flat contractual fee.

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## Vocational Rehabilitation Services

We reviewed information provided by the South Carolina Department of Vocational Rehabilitation (VR) and DSS to determine the potential need for vocational rehabilitation services and VR's capacity to serve AFDC clients.

VR has not experienced an overall increase in AFDC referrals from DSS since the Family Independence implementation. The department feels it can accommodate referrals at present.

However, we found that many AFDC clients served by VR were referred by agencies other than DSS. DSS may not have information that these clients are receiving VR services, and this could affect case management outcomes. Also, many DSS referrals do not meet VR's service criteria.

Section 43-31-10 *et seq.* of the South Carolina Code of Laws requires VR to serve those with specific physical or mental impairments and seek, to the extent possible, federal funds available under the Vocational Rehabilitation Act. The state appropriates additional funds necessary for carrying out the functions. VR serves those whose disability presents a physical or mental impairment to employment, about 10%–12% of the working population. The agency operates programs around the state in 22 work training centers.

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## DSS/VR Interagency Agreement

DSS and VR entered into an agreement dated November 22, 1995, in order to provide vocational rehabilitation services to those AFDC recipients identified by DSS as being in need of such services. This agreement provides that local agreements between DSS and VR county offices will include standardized procedures for referral, feedback, and follow-up for AFDC clients, as well as cross-training of state and local staff. For all clients referred to VR and who meet their eligibility criteria, VR has agreed to provide medical, vocational, and psychological evaluations. VR is also to provide job preparation services, coordinate with DSS staff to ensure that clients attend and make satisfactory progress in activities such that they continue eligibility for AFDC benefits, develop job opportunities for recipients, and follow up after placement.

DSS is to include all vocational rehabilitation services on the AFDC recipient's ISSP and provide case management, guidance, and counseling services to the client including employment follow-up for those finding employment through VR. In addition, DSS is responsible for arranging child care and other supportive services.

According to DSS, as of July 15, 1996, about 43% of the counties have signed local memoranda of understanding with VR. DSS has no statewide information about cross-training provided to staff.

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## DSS Referrals to VR

The following table shows statistics on AFDC referrals to VR from DSS for the past three years. DSS referrals in FY 94-95 accounted for about 2% of all VR referrals. Between 42% and 46% of DSS current referrals do not meet VR criteria. Based on our analysis, approximately 64% of all active AFDC cases were referred from sources other than DSS.

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**Table 3.2: Referrals**

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DSS-Referred AFDC Clients	FY 93-94	FY 94-95	FY 95-96
Referrals During the Fiscal Year	422	440	502
% AFDC Referrals Accepted	54%	57%	58%
% AFDC Referrals Rehabilitated	52%	50%	55%
Number of Active Cases	307	287	317

Source: Department of Vocational Rehabilitation.

VR reported to us that for their general population, at one year after their cases were successfully closed, 75%–80% of their clients are still working, and about 40% of these are making more than they did a year prior. Based on FY 93-94 data, 87% are working at full-time jobs predominantly in the industrial sector. These clients had come to VR earning an average of approximately \$66 weekly and left VR earning an average of \$252 weekly (\$5.81 an hour). AFDC referrals rehabilitated in FY 94-95 worked an average of 35 hours per week at an average wage of \$5.28 per hour.



The following table shows the various disabilities of AFDC clients served by VR.

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**Table 3.3: Disabilities**

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Disability	FY 93-94	FY 94-95	FY 95-96	FY 94-95 All VR clients
Visual	3%	3%	2%	1%
Hearing	3%	1%	1%	4%
Ortho	22%	25%	29%	16%
Amputation	1%	1%	0%	5%
Mental Illness	12%	13%	12%	29%
Drug	15%	16%	14%	22%
Mental Retardation <sup>a</sup>	20%	17%	17%	8%
Other <sup>b</sup>	24%	24%	25%	15%

- a According to DSS staff, they refer all clients with suspected mental retardation to VR because the Department of Disabilities and Special Needs does not have the resources to serve DSS clients.
- b Approximately 45 disabilities, primarily diabetes, cardiac problems, and epilepsy.

Surveys of case managers and county directors we conducted during the audit showed that approximately 8% of case managers and 14% of county directors believed that local VR entities had not been responsive when they referred Family Independence clients to them (i.e. provided appropriate services in a timely manner). Approximately 67% of case managers (see Appendix C) and 83% of county directors (see Appendix D) were satisfied with VR's response.

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## Recommendations

29. In order to maximize Family Independence program outcomes, VR and DSS should ensure they coordinate information on all AFDC referrals. DSS should ensure that all AFDC clients referred to VR from other sources meet participation and job placement goals.
30. DSS should ensure that appropriate local MOUs with VR are developed and implemented and that adequate cross-training of staff occurs.

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## Department of Alcohol and Other Drug Abuse Services

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We reviewed information provided by the South Carolina Department of Alcohol and Other Drug Abuse Services (DAODAS) and DSS to determine the potential need for services and DAODAS's capacity to serve AFDC clients. Section 43-5-1185 of the South Carolina Family Independence Act of 1995 states:

This program must include an alcohol and other drug assessment when it is determined by the department [DSS] that an assessment is appropriate. The department shall coordinate with the Department of Alcohol and Other Drug Abuse Services to provide the proper assessment of the recipient and training of the department personnel who are to conduct the assessment.

DSS and DAODAS entered into an agreement dated January 29, 1996, in order to provide alcohol and other drug abuse (AOD) education, assessment, and coordinated counseling services to AFDC clients. The agreement provides that procedures will be developed for the FIA that include co-location and cross-training of staff.

DAODAS feels it can accommodate referrals at present. However, we found that many AFDC referrals to DAODAS are from sources other than DSS. DSS may not have information that these clients are receiving alcohol and drug abuse services. This could affect case management outcomes.

DAODAS's services include community-based prevention programs as well as the identification, assessment, referral, and treatment of individuals who are experiencing alcohol and/or other drug-related problems. In FY 93-94, direct intervention and treatment services were provided to 54,089 individuals, about 1.5% of the state's population. The rate of service to the AFDC population (based on FY 94-95 data) was higher, about 6.1% of the AFDC population.

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## DSS/DAODAS Interagency Agreement

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Both DSS and DAODAS are responsible for developing local memoranda of understanding (MOUs) to serve AFDC clients who require DAODAS services. Local staff are to develop plans to coordinate alcohol and drug abuse services in local DSS offices that provide opportunities for problem solving, technical assistance, cross-training on services, and recognizing alcohol and/or drug abuse. Finally, terms and conditions for the clients' programs will be contained on both the DSS ISSP and the DAODAS treatment plan.

DAODAS has agreed to provide in-depth assessment of AFDC clients on-site and provide feedback to DSS regarding the terms and conditions of the treatment plan and the client's progress. DAODAS's treatment providers are to participate with DSS staff in screening of AFDC clients, intensive case management with the self-sufficiency case manager, weekly staffings, and crisis interventions. DAODAS agrees to maintain data on treatment and the cost of treatment. DSS is to include all assessment and successful completion of treatment services on the AFDC recipient's required ISSP and provide case management, guidance, and counseling services to the client. In addition, DSS is responsible for arranging child care and other supportive services required and will conciliate and sanction those who fail to participate as required.

AFDC clients will be asked to sign a release so that if information is learned that relates to child protection, DSS will be informed. Otherwise a court order may be necessary before DSS has access to DAODAS records. If an AFDC client does not wish to give consent for the release of information, DAODAS will not share information about the client or the treatment of the client with DSS. As of October 2, 1996, DSS and DAODAS amended their MOU to provide clarification concerning confidentiality of client information.

According to data provided by DSS, as of July 15, 1996, about 48% of the counties have signed local MOUs between DSS and DAODAS. In August 1996, DSS issued correspondence to the counties requiring that DAODAS training be completed no later than October 1, 1996.

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## DSS Referrals to DAODAS

The following table shows the number of AFDC referrals for two years (through May 1996). This information is based on DAODAS estimates. DSS referrals accounted for approximately 44% of the total AFDC referrals to DAODAS. AFDC clients served account for about 15% of all clients served in FY 94-95.

**Table 3.4: AFDC Clients Served by DAODAS**

AFDC Clients	FY 94-95	FY 95-96 <sup>a</sup>
Referrals During the Fiscal Year	5,353	3,935
AFDC Clients Served	8,060	6,092
Number of Services Provided	42,865	34,349
Number of Client Hours	153,004	128,533

a Through May 1996.

Source: DAODAS.

DAODAS does not currently maintain statewide information on closed cases that would identify those working, the type of job they hold, and their wage.

The following table provides the percent of all AFDC clients served by DAODAS in FY 94-95 and FY 95-96, by service type.

**Table 3.5: Primary Direct Service Provided to AFDC Clients**

Service	Percentage Served		Cost Per Hour <sup>b</sup>
	FY 94-95	FY 95-96 <sup>a</sup>	
Assessment Counseling	36.53%	32.09%	\$60
Targeted Case Management	12.79%	10.44%	\$40
Group Counseling	10.77%	11.68%	\$12
Individual Counseling	10.47%	11.43%	\$54
Intensive Outpatient Services	8.08%	9.15%	\$18
Ancillary Case Consultation	6.21%	6.33%	\$40
Ancillary Care Coordination	4.00%	5.08%	\$40

a Through May 1996.

b Medicaid claim rate.

Source: LAC analysis of DAODAS data.

Surveys of case managers and county directors we conducted during the audit showed that approximately 5% of case managers (see Appendix C) and 6% of county directors (see Appendix D) believed that local DAODAS entities had not been responsive when they referred Family Independence clients to them (i.e. provided appropriate services in a timely manner). Approximately 66% of case managers and 89% of county directors were satisfied with DAODAS's response.

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## Recommendations

31. In order to maximize Family Independence program outcomes, DAODAS and DSS should ensure the coordination of information on all AFDC referrals. DSS should ensure that all AFDC clients referred to DAODAS from other sources meet DSS's participation and job placement goals.
32. DSS should ensure that, statewide, appropriate local MOUs with DAODAS are developed and implemented.

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**Chapter 3**  
**Program Components and Related Services**

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# Appendices

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**Appendices**

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# Summary Taken From the Statutes

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## **S.C. Family Independence Act of 1995**

Article 9 of Act No. 102 of 1995 (The South Carolina Family Independence Act) became effective June 12, 1995. The act substantially revised the basis of the state's welfare policy to one of reciprocal agreement between welfare recipients and taxpayers. The State Department of Social Services is mandated to:

... fundamentally change its economic services operation to emphasize employment and training and a minor welfare component. Further, the department is to expand its employment and training program statewide and coordinate with the existing resources of other state agencies when they are available and it is cost efficient to do so. The agency is to assist welfare recipients to maximize their strengths and abilities to become gainfully employed. Welfare assistance must be provided as a stipend to a family unit as long as there is satisfactory participation in required employment and training activities.

An agreement must be signed by each adult AFDC recipient. Once their youngest child reaches age one, participation in the work support program is mandatory. If a minor mother is living at home the agreement must be signed by the minor mother and her parent or guardian. The agreement must describe the actions the recipient must take to become employed and the time frames for completing these actions. The department must:

Place a major emphasis on job development and on maximizing employment opportunities within the state.

Except as exemptions apply, limit AFDC assistance to no more than 24 months out of 120 months and no more than 60 months in a lifetime.

As part of its training component, provide information to reproductive age participants about the value of family planning services and must actively seek participation of employers in allowing AFDC recipients time off to seek family planning services.

Provide special educational and related services for teen parents to assist them in becoming economically independent and to provide health information.

Sanction (terminate all AFDC benefits) AFDC recipients that fail to comply with the employment and training requirements in their welfare agreement.

Establish performance benchmarks for job placement for department staff and recruiting goals for state agencies.

Provide as appropriate relocation assistance to families that live in communities where few jobs exist.

Seek federal funds so the AFDC clients can establish entrepreneurial businesses that provide incentives for AFDC clients in their efforts to attain self-sufficiency.

Provide no incremental increase in AFDC benefits to a family with increase in the number of children.

Provide for family skills training to each adult recipient and minor mother recipient as a condition of eligibility for AFDC benefits.

Require substance abuse treatment when evidence indicates need.

Remove the requirement that a child be deprived of support from one or both parents to be eligible for assistance.

Raise the asset limit to \$10,000 book value for a vehicle and \$2,500 for all other assets. Exclude interest income, dividends up to \$400, and income earned by a minor child attending school in determining AFDC benefit eligibility and payment amounts.

Require that welfare recipients under age eighteen be enrolled and maintain satisfactory attendance in school.

With exceptions, require that a minor mother live with minor's parents to receive welfare.

Develop outreach and information programs that provide information on available assistance.

Help coordinate increased health care access among various agencies.

Extend medicaid eligibility for one year from the date that benefits would otherwise end due to employment.

Make efforts to obtain federal child care funds.

In conjunction with the Department of Public Safety, endorse local efforts to develop a statewide network of mass transit systems.

In conjunction with the Department of Education, ensure that existing adult education and continuing education programs are structured to maximize access by AFDC clients. Endorse and promote school-to-work transition programs.

In conjunction with the State Board for Technical and Comprehensive Education and business and industry to design curriculums to produce students with skills needed by these businesses. Develop curriculums that target AFDC clients identified aptitudes, interests and abilities for occupations identified by the Employment Security Commission.

Simplify benefit application forms and instructions.

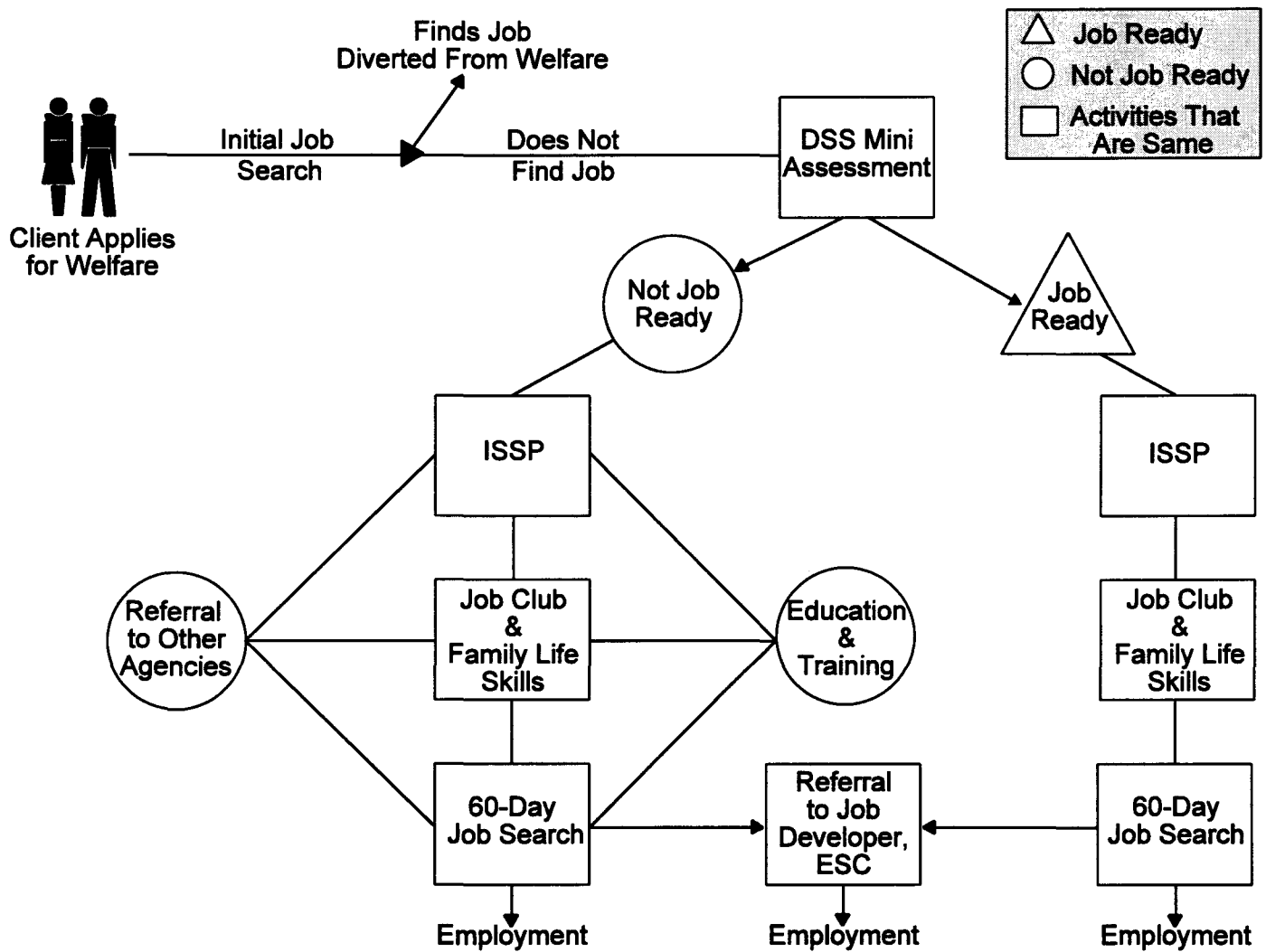
Require information on the absent parent and putative father.

Adopt Electronic Data Interchange Standards as set forth by the Budget and Control Board, Office of Research and Statistics Information Resource Planning and Management so that exchanges and sharing of information concerning AFDC clients and revenue sources are freely available.

With HHS, review and ensure that federal and state procurement and purchasing regulations do not unnecessarily delay services to AFDC clients and child care and transportation providers.

Provide that AFDC cash payments be converted to wage subsidy or tax credit to employers offering new jobs as a result of a new business or an expansion of an existing business.

# Flow Chart of Family Independence Process



Briefly, the Family Independence process is described as follows.

**Intake and Screening** — Screening or administrative specialists determine if an applicant is eligible for welfare.

**Initial Job Search** — As a condition of eligibility, each client must look for a job for two weeks, contacting at least five potential employers per week.

**Determination of Job Readiness** — Those who are determined to be eligible for AFDC benefits, and who did not find a job during their initial job search, are then categorized as “job ready” or “not job ready” by a county DSS case manager.

**Individual Self-Sufficiency Plan (ISSP)** — Each adult AFDC recipient must sign an agreement to describe the actions the recipient will take to overcome barriers and become employed consistent with a stated vocational goal. Failure to follow the actions described in the ISSP can result in sanctions.

**Job Club and 60-Day Job Search** — Group or individual job readiness training sessions where participants learn job finding and job retention skills and conduct a job search for an additional 60-day period. If the person is unsuccessful in finding a job during this time, they are assessed and their ISSP modified if needed.

**Assessment** — DSS assessments are supposed to provide a detailed picture of a client’s vocational, educational, psychological, medical, and social status. DSS can refer AFDC clients to other agencies such as the Department of Vocational Rehabilitation and the Department of Alcohol and Other Drug Abuse for more detailed assessments.

**Family Life Skills Training** — All adult AFDC recipients, as well as teenage parents, are required to attend family life skills training. This training must include parenting skills, financial planning, and family planning.

**Educational and Training Components** — These activities develop client skills so they can become employable. They include adult education, literacy or GED classes; unpaid work experience; on-the-job training; enrollment in a technical school; specialized vocational training, etc.

# Survey Results of 197 Case Managers

## LAC Family Independence Program Survey

- Currently, the size of my Family Independence caseload is 118 (mean) cases. I have conducted approximately 1 (median) home visits.
- 47.48% (mean) percent of Family Independence clients, although they meet DSS's definition of job ready, really need assessment and training prior to job placement.
- Yes (1) I use a computer to write the Individualized Self Sufficiency Plan (ISSP).  
No (195)  
N/A (1)
- Yes (112) I use a computer to conduct interactive interviewing with clients.  
No (85)  
N/A (0)
- Please indicate how many hours during a typical week you spend on the following activities; in the second space indicate what you feel you should spend in order for the program to be effective.**

Hours Spent		
Actual	Desired	
20.4	15.4	Performing economic assessments and conducting interviews with clients to determine eligibility for AFDC benefits.
10.4	11.4	Developing the ISSP, providing, facilitating and coordinating all services identified in the ISSP, and monitoring client progress in the ISSP.
6.1	5.9	Counseling, conciliation and sanctioning activities.
3.4	4.7	Following up on clients who are employed.
1.1	2.6	Joint staffings regarding clients with other agencies' staff.

Very Good	Satisfactory	Not Very Good	Poor	Did Not Receive Training In This Area
11.68%	71.57%	10.15%	3.55%	3.05%
8.12%	50.25%	25.89%	12.69%	3.05%
3.05%	50.76%	28.93%	12.18%	5.08%
1.02%	33.50%	26.90%	21.32%	17.26%
4.06%	39.09%	29.95%	16.24%	10.66%

- Please rate the training conducted by central DSS Division of Staff Development and Training in the following areas of the Family Independence Program.**

Assessing client eligibility for Family Independence.  
 Developing Individual Self Sufficiency Plans.  
 Referring the client to education and/or training services.  
 Working with the job developer to help the client find employment.  
 Screening and referring clients who need the services of other agencies such as the Department of Vocational Rehabilitation, county health department, local school districts, etc.

**Appendix C**  
**Survey Results of 197 Case Managers**

- | Very Important   | Somewhat Important | Not Very Important | Not Important | Unable to Respond |  |
|--|--------------------|--------------------|---------------|-------------------|--|
| <b>7. Please rate the importance of the following areas in helping AFDC recipients to become self-sufficient.</b>  |                    |                    |               |                   |  |
| 62.44%   | 20.81%             | 6.60%              | 2.54%         | 7.61%             | The 24-month limit on benefits.                                    |
| 64.47%   | 28.93%             | 4.06%              | 1.52%         | 1.02%             | Job club and job readiness training.                               |
| 78.68%   | 15.74%             | 3.05%              | 1.52%         | 1.02%             | Quality and responsiveness of the caseworker.                      |
| 73.10%   | 24.87%             | 1.52%              | 0.00%         | 0.51%             | Job skills training.   |
| 78.68%   | 15.74%             | 2.54%              | 1.02%         | 2.03%             | Possibility of full-family sanctions for non-compliance.           |
| 24.37%   | 32.49%             | 23.35%             | 18.27%        | 1.52%             | Initial job search.  |
| 58.38%   | 32.49%             | 5.58%              | 2.03%         | 1.52%             | Educational programs.  |
| 61.93%   | 27.92%             | 5.58%              | 2.03%         | 2.54%             | Community support for the Family Independence Program.             |
| 77.66%   | 16.75%             | 3.05%              | 0.51%         | 2.03%             | Business and industry support for the Family Independence Program. |
|  |                    |                    |               |                   | Other (please specify).  |
| <b>8. Please rate the importance of receiving training in the following areas as you continue working with Family Independence clients.</b>  |                    |                    |               |                   |  |
| 60.91%   | 28.93%             | 5.08%              | 4.06%         | 1.02%             | Case management.   |
| 50.76%   | 31.47%             | 11.68%             | 4.57%         | 1.52%             | Basic counseling/psychology.                                       |
| 56.85%   | 31.98%             | 6.09%              | 3.55%         | 1.52%             | Career development and counseling.                                 |
| 43.15%   | 29.95%             | 16.75%             | 8.63%         | 1.52%             | Communication skills.  |
| 57.87%   | 21.83%             | 11.68%             | 7.61%         | 1.02%             | Time management.   |
|  |                    |                    |               |                   | Other (please specify).  |
| <b>9. Please indicate whether the following agencies, in general, have been responsive when you have referred Family Independence clients to them. Responsive means they provided appropriate services in a timely manner.</b> |                    |                    |               |                   |  |

Yes	No	N/A	
67.01%	7.61%	25.38%	Vocational Rehabilitation (regional facilities)
85.28%	6.60%	8.12%	Employment Security Commission (local office)
90.86%	3.05%	6.09%	Adult Education
55.84%	2.54%	41.62%	County Health Department
65.99%	3.05%	30.96%	Area Technical College
64.97%	7.61%	27.41%	JTPA Training
65.99%	4.57%	29.44%	Local Department of Alcohol and Other Drug Abuse

10. Specialty staff, such as assessment specialists, adjustment specialists and job coaches, could assist us with the following case manager activities (list two or three in priority order):

(summarized on page 30)

11. Please prioritize the importance of these areas as *barriers* that may prevent AFDC recipients from becoming self-sufficient. (The percent of respondents who ranked each item the most important barrier to self-sufficiency.)

31.79%	Lack of child care.
29.23%	Lack of transportation.
7.81%	The need to remain on Medicaid in order to have health care.
19.07%	Lack of education.
7.73%	Lack of an employment history and work experience.
3.09%	Lack of vocational skills.
5.70%	Lack of business and industry support for the Family Independence Program.

Ample	Adequate	Somewhat Inadequate	Very Little	Unable to Respond
8.63%	32.99%	18.78%	16.24%	23.35%
19.80%	39.09%	11.17%	5.58%	24.37%
23.35%	31.47%	15.23%	6.60%	23.35%
6.09%	27.41%	29.95%	20.81%	15.74%
17.77%	42.13%	13.20%	4.57%	22.34%
15.23%	33.50%	11.17%	6.09%	34.01%
19.80%	39.09%	14.72%	7.11%	19.29%

12. Please indicate the level of funding and staffing your county has allocated to these areas.

Administrative / clerical functions.  
Job coach.  
Job developers.  
Case managers.  
Assessment specialists.  
Adjustment specialists.  
Family Independence supervisors.



**Appendix C**  
**Survey Results of 197 Case Managers**

Strongly Agree	Agree	Disagree	Strongly Disagree	Unable to Respond	Please rate the following.
13.20%	46.70%	33.50%	3.55%	3.05%	13. In order to most effectively direct clients, I need more assessment information initially.
17.26%	34.52%	28.93%	18.27%	1.02%	14. A program which emphasizes "work first," as opposed to emphasizing education and training first, will be more effective in helping AFDC clients achieve self-sufficiency.
26.90%	43.15%	18.78%	8.12%	3.05%	15. There are not enough job skill training programs available to AFDC clients who need this.
50.76%	34.52%	7.61%	1.02 %	6.09%	16. Since the passage of the Family Independence Act, I have had more frequent contact (either in person or by telephone) with my AFDC caseload.
5.58%	39.59%	38.58%	15.74%	0.51%	17. In general, my AFDC clients have a positive attitude about the requirements of the Family Independence Program.
12.18%	48.22%	16.75%	13.71%	9.14%	18. I am able to help AFDC clients place their children in licensed day care centers when this service is needed.
6.09%	38.07%	25.89%	16.75%	13.20%	19. I am able to help AFDC clients find other kinds of child care (such as in-home, family, church day care, etc.) when this service is needed.
9.14%	53.81%	21.32%	12.18%	3.55%	20. Our computer systems allow me to efficiently and accurately access information on Family Independence clients' participation in required educational and training components.
14.21%	57.36%	17.26%	9.64%	1.52%	21. We have an adequate feed-back system from client referrals made to Family Independence components, such as job club, which are conducted by our staff.
8.12%	37.56%	31.47%	22.34%	0.51%	22. We have an adequate tracking process for monitoring the employment status of clients who have found jobs.
7.11%	35.03%	39.09%	16.24%	2.54%	23. DSS policies and procedures for the Family Independence Program are clear to me.
12.18%	48.22%	21.32%	16.75%	1.52%	24. The method used in our county to assign caseloads produces equitable loads among caseworkers.

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**Appendix C**  
**Survey Results of 197 Case Managers**

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Strongly Agree	Agree	Disagree	Strongly Disagree	Unable to Respond	
15.23%	64.47%	15.23%	2.54%	2.54%	25. I regularly receive ALERTS and other communications advising us of policy changes.
15.23%	64.47%	15.23%	2.54%	2.54%	26. We need more hands-on, technical assistance from the state DSS office on how to best implement the Family Independence Program.
2.03%	46.19%	28.93%	20.81%	2.03%	27. The training I have been provided has prepared me to function adequately as a case manager.

**Please attach any additional comments related to the overall effectiveness of the implementation of the Family Independence Program.**

# Survey Results of 35 County Directors

## LAC Family Independence Program County Director Survey

Strongly Agree	Agree	Disagree	Strongly Disagree	Unable to Respond	Please rate the following.
14.29%	80.00%	0.00%	0.00%	5.71%	1. Local employers are supportive of the Family Independence Act.
14.29%	25.71%	34.29%	22.86%	2.86%	2. There are not enough local jobs available for AFDC clients to find employment.
8.57%	57.14%	17.14%	8.57%	8.57%	3. The job placement goals established for my county are achievable.
5.71%	68.57%	20.00%	5.71%	0.00%	4. We receive timely technical assistance from technical assistance staff in the state office of county operations.
5.71%	74.29%	14.29%	5.71%	0.00%	5. We receive timely assistance from the program staff in the state office of Family Independence.
8.57%	45.71%	34.29%	0.00%	11.43%	6. Business leaders, community action leaders, and other non-governmental representatives in my county were involved in planning the Family Independence Program.
11.43%	20.00%	54.29%	8.57%	5.71%	7. State policies hinder me from trying innovative approaches and practices that I feel will lead to the best program outcomes in my county.
31.43%	57.14%	11.43%	0.00%	0.00%	8. My staff have reacted in a positive manner to the Family Independence Program.
					9. <b>The following external sources provided adequate Family Independence-related training to my staff.</b>
14.29%	62.86%	8.57%	2.86%	11.43%	Vocational Rehabilitation.
8.57%	74.29%	8.57%	2.86%	5.71%	Employment Security Commission.
22.86%	68.57%	5.71%	0.00%	2.86%	Department of Alcohol and Other Drug Abuse.
25.71%	71.43%	0.00%	0.00%	2.86%	DHEC.
2.86%	17.14%	25.71%	17.14%	37.14%	Social Service staff from governmental agencies in other states.
8.57%	34.29%	20.00%	8.57%	28.57%	Outside consultants in areas relevant to welfare reform.
					10. <b>I need more staff in the following areas in order to have the most effective Family Independence Program.</b>
2.86%	11.43%	62.86%	14.29%	8.57%	Adjustment Specialist.
2.86%	8.57%	65.71%	17.14%	5.71%	Assessment Specialist.
28.57%	17.14%	42.86%	8.57%	2.86%	Self-Sufficiency Case Manager.
8.57%	17.14%	60.00%	11.43%	2.86%	Job Coach.
14.29%	17.14%	48.57%	14.29%	5.71%	Job Developer.
34.29%	31.43%	22.86%	8.57%	2.86%	Administrative / Clerical.

Strongly Agree	Agree	Disagree	Strongly Disagree	Unable to Respond	
					<b>11. The following components significantly promote the smooth implementation of the Family Independence Program in my county at this time.</b>
0.00%	57.14%	28.57%	14.29%	0.00%	State personnel policies.
0.00%	45.71%	42.86%	11.43%	0.00%	State procurement regulations.
0.00%	20.00%	42.86%	37.14%	0.00%	DSS computer information systems.
2.86%	40.00%	34.29%	14.29%	8.57%	DSS financial reporting system.
0.00%	48.57%	34.29%	17.14%	0.00%	DSS time lines for implementation of the Family Independence Program.
0.00%	42.86%	48.57%	8.57%	0.00%	DSS policies and procedures.
2.86%	62.86%	25.71%	5.71%	2.86%	Building infrastructure.
					<b>12. My Family Independence staff have had adequate training in the following areas.</b>
8.57%	74.29%	17.14%	0.00%	0.00%	Screening for referral to other agencies.
0.00%	45.71%	40.00%	14.29%	0.00%	Career counseling.
2.86%	74.29%	20.00%	2.86%	0.00%	Human services.
0.00%	57.14%	37.14%	5.71%	0.00%	Decision making.
5.71%	60.00%	28.57%	5.71%	0.00%	Arranging services.
5.71%	34.29%	48.57%	11.43%	0.00%	Motivational attitude.
0.00%	20.00%	11.43%	5.71%	62.86%	Other.
					<b>13. In general, the following agencies have been responsive when we have referred Family Independence clients to them. Responsive means they provided appropriate services in a timely manner.</b>
22.86%	60.00%	11.43%	2.86%	2.86%	Vocational Rehabilitation (regional facilities).
14.29%	60.00%	20.00%	5.71%	0.00%	Employment Security Commission (local office).
37.14%	57.14%	5.71%	0.00%	0.00%	Adult Education.
28.57%	68.57%	0.00%	0.00%	2.86%	County Health Department.
14.29%	68.57%	5.71%	0.00%	11.43%	Area Technical College.
14.29%	65.71%	11.43%	2.86%	5.71%	JTPA Training.
28.57%	60.00%	5.71%	0.00%	5.71%	Local Department of Alcohol and Other Drug Abuse.

**Appendix D  
Survey Results of 35 County Directors**

- 14. Do you, at least annually, evaluate the outcome of education and training programs already in place in your county for AFDC clients, in the following manner.**

Yes	No	Not Offered in my County	
37.15%	40.00%	22.86%	Adult education, as to the number and percent of clients obtaining a GED/high school diploma.
22.86%	48.58%	28.58%	Other educational programs, as to the number of students completing the program.
25.72%	48.58%	25.72%	Vocational training, as to the number of students completing the program.
22.86%	51.43%	25.72%	Vocational training, as to the number of students obtaining employment.
68.58%	8.58%	22.86%	Have not evaluated the outcomes of these programs in the past, but have plans to evaluate them in conjunction with the Family Independence Program.

- 15. Please describe briefly any collaborative efforts with other organizations that were made by your county and that have had a positive effect on assisting clients to become self-sufficient:**

(Not Summarized)

- 16. Please list any aspects of the Family Independence Program that have been controversial (i.e. argumentative or contentious) in your county:**

(Three most frequent responses.) The delay in receiving waiver approval from Washington; concerns over availability of jobs for FI clients; and the effect on children of time limits and full family sanctions.

- 17. If you described any controversies in question 15 above, please list any negative impacts they have had on program implementation in your county:**

(Three most frequent responses.) The effect on staff morale and stress on staff; non-compliance by clients; and loss of credibility, delays, and mixed messages being given to clients.

- 18. The following agencies are co-located with the county DSS office (list):**

(Three most frequent responses.) ESC, DHEC, DAODAS

- 19. The following factors should be considered when determining Family Independence caseloads:**

(Three most frequent responses.) Length of time on AFDC; type and complexity of cases; county demographics and location of jobs.

- 20. My county is (optional)** \_\_\_\_\_ .

- 21. The population of my county is:**
- |                               |                          |
|-------------------------------|--------------------------|
| ___ 30,000 or less            | (13 counties responding) |
| ___ Between 30,001 and 90,000 | (12 counties responding) |
| ___ 90,001 or more            | ( 9 counties responding) |
| ___ N/A                       | ( 1 county responding)   |

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**Appendix D**  
**Survey Results of 35 County Directors**

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# Agency Comments

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**Appendix E**  
**Agency Comments**

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## SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES

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James T. Clark, State Director, P.O. Box 1520, Columbia, South Carolina 29202-1520

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November 22, 1996

Mr. George L. Schroeder, Director  
S. C. Legislative Audit Council  
400 Gervais Street  
Columbia, SC 29201

Dear Mr. Schroeder:

The Department would like to express its appreciation to the S. C. Legislative Audit Council for its review and report on the implementation of the South Carolina Family Independence Act. In particular, we would like to recognize the efforts of Ms. Cheryl Ridings and Ms. Kathy Snider. Their ability to develop an understanding of, and appreciation for, the comprehensiveness and complexity of the state's welfare reform initiative in such a short period of time is extraordinary.

While we are supportive of most of the observations and recommendations contained in the report, the attached comments are presented to clarify or respond to selected findings and recommendations.

Thank you very much for your review.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Clark", written over a horizontal line.

James T. Clark  
State Director

JTC:e

Attachment

**The Department of Social Services' Response**  
**to the LAC Review of the**  
**Implementation of the South Carolina Family Independence Act, December 1996**

- page 7, paragraph 3, last line: "But what would happen..." The implication is that a major concern of welfare reform is more homelessness and greater poverty. While this concern has been reported widely, this statement presents only one side of the story. The other side is that we expect children to benefit from healthier, happier home lives, due to their parents working, becoming self-sufficient, developing greater dignity, increased self-confidence and self esteem. Working parents offer better role-models for their children. We should also recognize that poverty is an expression of cash discretionary income, and that "in kind", means-tested programs not generally affected by welfare reform remain in place, i.e. over 90% of the government expenditures for poor persons remain in effect.
- page 8, second bullet, second sentence: "Troubled families, individuals with chemical dependencies..." This is another instance of a negative implication, without balance. TANF allows 20% of the caseload to remain on welfare beyond time limits, for those determined to be "hardship cases". In addition, county directors have flexibility in exempting certain cases from time limits.
- page 8, bullet 6, regarding limits on family size. While we may be unable to identify research which suggests that family caps do successfully limit family size, it is also true that the teen birth rate and birth rate to unwed mothers are both declining. This may be an effect of changes in the welfare state generally, and responses to changes in welfare policies. Additionally, not allowing increased benefits when additional children are born was not intended to limit family size. The decision recipients make to have an additional child should not be rewarded or punished; it is a decision which is treated as having been made by responsible citizens, who know whether they can afford a family addition. We do not give pay raises to employees because they have additional children.
- page 18, last paragraph: "... they (county directors) felt policies based on suppositions for the future were constantly being revised... Some felt the plan went into effect too quickly, and that local staff had little input on staffing and funding resources." It is our view that policies were consistent through that time. In terms of county-level input into planning for FI, in the six month period July through December 1994, staff from Barnwell, Charleston, Berkeley and Dorchester counties were involved in the actual design, development and drafting of policies and procedures used as the foundation for those governing implementation of the FIA of 1995. In addition, considerable effort went into drafting policies and procedures in July and August 1995, to be tested in the Charleston pilot beginning in September 1995.

A November 1995 report completed by the Charleston County DSS staff following initial implementation evidences county input in the process. In addition, regional directors and selected county staff participated in the drafting of county plans governing staffing and resources allocated to each region. Continued input is received from the counties regarding FI program operations

and policy through the monthly FIRE team meetings, attended by county and state staff. Finally, an October 18, 1996 memorandum clarified to the counties that implementation of the FIA was subject to "operational flexibility" for counties to implement the program in a locally-responsive manner.

- Regarding the first bullet on page 19, and the discussion of automated systems which support FI activities, on pages 22 - 24: All automated systems serve a useful life and are designed to support existing policy at the time of implementation. The CHIP system was implemented and Federally certified in 1989 and has since undergone many modifications to support a multitude of policy changes and other program initiatives. The system has performed exceedingly well within these parameters. Implementation of the Family Independence Act within CHIPS and W-NAT required major system revisions to both systems. When considering the age of the systems and their original designs, a reasonable position could be that a new system should be acquired.

Given the date set for implementation of the Family Independence Act, a new system has not been possible. Major system acquisitions such as CHIPS realistically require from two to three years to implement. As noted in the LAC report, the Department is investigating a replacement for CHIPS and W-NAT which will conform to current technology and new policy as promulgated by the Family Independence Act (FIA) and Temporary Assistance for Needy Families Block Grant (TANF).

- Regarding the second bullet on page 19 on the hiring and training of staff, the only positions that had to be sent to OHR were Project Administrator positions, which were forwarded to OHR by November 6, 1995. Those positions, however, were advertised beginning October 1995. The other positions, i.e. Self-Sufficiency Casemanagers, Work Support Specialists, etc. were delegated positions to the Department, which were established internally within DSS in sufficient time to enable positions to be filled. Redirecting staff, i.e. eligibility workers to Self-Sufficiency Casemanager positions, was initiated on November 17, 1995. All personnel actions to begin employment were timely and within budgetary limitations.

- Regarding the third bullet on page 19, on the establishment of statewide MOUs (Memoranda of Understanding), all statewide agreements were completed by the end of January 1996. The following MOUs were negotiated in order to implement specific requirements of the FIA, in a timely manner:

DHEC	Signed 10/6/95
Commerce	Signed 11/1/95
State TEC	Signed 12/14/95
VR	Signed 11/22/95
DAODAS	Signed 1/29/96

All were signed prior to implementation with the exception of DAODAS, which was completed in January 1996. County MOUs have been and are being developed at the local level, and could not be completed prior to signing of the state level MOUs. In addition, County Directors have long-standing, established relationships with all community partners; formal memoranda were not

required in order to obtain services for FI clients. No FI client has been denied necessary services resulting from the lack of a county MOU. No policy stipulates that local agreements are required; these are encouraged but not mandated.

- page 19, paragraph three, third sentence: "... DSS has (no) comprehensive plan to establish a central evaluation unit that focuses on qualitative program measurement". We believe that the reviews conducted by both the Office of Program Quality Assurance (PQA) and the Division of County Technical Assistance have significant qualitative components, in addition to quantitative monitoring and reporting. The County FI/FS Synopses conducted by the Division of County Technical Assistance, and in particular items such as "FI Policy Expertise" and "Case Management Orientation", illustrate this point.

- pages 19 - 21 on Review and Evaluation, and specifically regarding Page 20, paragraph 1 referring to reviews conducted by PQA and the Division of County Technical Assistance: "These reviews do not answer questions that DSS state and local decision-makers have about the status of program operations, identifying areas needing improvement and ensuring accountability for end results. They do not demonstrate which policies are the most/least effective".

There appears to be a misunderstanding of the current quality assurance monitoring and reporting process. Specifically, PQA performs the federally mandated monitoring of the AFDC, FS and Medicaid programs and the state mandated monitoring of the major human service programs. The current review processes do identify error prone policies and procedures and the entity responsible for error. Areas needing improvement are identified and information is provided relative to the status of program operations. This information is the basis for corrective action plans. Data from reviewed cases are compiled into a variety of reports that are issued on a monthly, semi-annual and/or annual basis.

The current federally mandated AFDC-QC review requirements will not end until January 1997. That review process will be replaced by an FI review process which will be designed to answer questions regarding the status of program operations, and to identify areas needing improvement.

- page 21, recommendation 1: "...DSS should establish a review and evaluation team that reports directly to the director." We believe that there is much to recommend this approach; it is being taken into consideration as a means to ensure independent operational and performance information and evaluation.

- page 23, paragraph 2: "W-NAT was originally designed as a pilot project for four counties". While W-NAT was developed for the pilot, it was later enhanced to meet Federal reporting requirements on a statewide basis. With the redesign implemented in May '96, it can accommodate the increased volume of data, but we concur that additional functionality and integration is needed to meet all of the new demands of the FI program.

- page 25, paragraph 1, third sentence: "...in June 1996, about 44% of the Family Independence population were either employed or enrolled in... programs", and page 27, recommendation 5: "DSS needs to ensure that clients ... participate in (programs)".

We agree that more mandatory recipients should participate in needed program components. The 44% is inaccurate to the degree that it includes sanctioned individuals and persons engaged in the dispute resolution/ conciliation process required by the waiver and federal law. A person cannot be both participating and not participating and the 44% includes both categories. If you removed those sanctioned, the 44% would become 69%. The number in the process of being sanctioned would add to that number. Some number of persons may not have been reported upon or may not be participating as required by federal and state law, but the percentage and number cannot be ascertained with the available information. All that can be said is that a majority (more than 69%) are either engaged in work, are sanctioned or are in the process of being sanctioned.

- page 28, last paragraph: "DSS anticipated streamlining eligibility processes but has not been able to do so thus far." TANF gave us greater flexibility to redesign and streamline the system, including the eligibility process. The department is moving quickly to make recommendations to the Office of the Governor to streamline the process.

- page 29, left side block regarding "no manpower planning system" and page 30, first paragraph: We believe that this finding is premature. Since Family Independence is a new program, we would have had neither a baseline nor an historical basis with which to weight cases. We agree that case weighting is needed, but also believe that we need experience to know how to weight; and that would come after initial implementation, and some experience. Also, how do we evaluate the fact that 39% of casemanagers find allocation methods inequitable? In the best of systems, what percentage of caseworkers are satisfied/ dissatisfied with caseload allocation methods?

- page 30, last paragraph: We basically agree that administrative staff could be used for the functions suggested in the report, such as checking whether initial contacts are made, obtaining information from other state agencies, monitoring the 60 day job search, as well as routine case documentation.

However, using specialist staff as assistants to casemanagers could take them away from their primary responsibilities; we believe this could be counterproductive. You note that classes are scheduled four months ahead of time; this is an indication that specialists do not have the time to assist in case management functions. Referring clients to the job developer is a case management function; other specialty positions may make recommendations as to what the client may require. Performing job follow-up is a key function of the casemanager or job developer.

- page 32, paragraph 4: "DSS has not developed training that meets the needs of all levels of FI staff."

We believe that this is not an accurate statement, in that extensive training has been developed and delivered to all levels of FI staff. Specifically, in the six-month period October 1995 - March 1996, self-sufficiency casemanagers and FI supervisors were provided 41 hours of FI training; assessment specialists, adjustment specialists and job coaches were provided 67 hours of training, and supportive service specialists were provided 69 hours of training by SD&T. This training was

provided in addition to local trainings, primarily involving identification and coordination of services with other agencies. Supervisors and casemanagers have participated in all phases of the FI training. Actual FI training began in September 1995.

The FI training included Work Natural (WNAT), Work Support Financial System (WFIN), ABC Child Care Voucher System, Family Independence Policy and Procedures, waiver training, and the South Carolina Occupational Information System (SCOIS). Specialists received additional training to be certified as trainers in parenting, and teen parenting.

FI supervisors are receiving leadership training which began in August 1996. It includes many of the training needs identified in the audit report. The key elements of this training are: managing change, problem solving, decision making, team roles and functions, supervisory expectations and staff performance, values and guiding principles, time management, goal and priority setting, and developing action plans. Supervisors have received training on management reports for the FI program and how to use them in managing staff and their workload.

Since May 1996, administrative staff have been receiving training on client relations and the importance of their work in underscoring the human aspects of the FI program. Casework staff has had access to regional training on safety and risk assessment regarding maltreatment of children associated with alcohol and drug abuse, how to ask questions and interpret information, how to make abuse and or neglect reports and how to make appropriate referrals. Staff has also had ample opportunity to attend regional training on cultural diversity which would help in understanding cultural differences, what behaviors are appropriate in a multi-cultural setting and how to deal with these differences in the work place.

- page 32, paragraph 3, third sentence: "After they (FI staff) receive the initial policy and procedures training from SD&T, there is no continuous training track that provides substantive training that is tied directly to job performance."

We do not believe that this statement is accurate. The second phase of training for staff is called Skill Level II. This training is developed by SD&T and is conducted by supervisors at the county level. It is designed specifically to continue a process of learning according to a prescribed format. Supervisors provide a quarterly report to SD&T on the progress of the employee toward accomplishing the learning objectives. The training builds on the basic training and brings employees to a level where they can process cases independently.

- page 32, paragraph 4: "Even though casemanagers play a key role under the FIA, DSS does not plan to provide substantive case management training ... until January 1997."

Case management training began in July 1994 for staff in the four counties planned to pilot welfare reform, known as the Self Sufficiency Plan. The basic training for staff in the Family Independence Program of 1995 was dedicated to the case management functions necessary for staff to perform the mandatory tasks and activities. The need for a more advanced form of case management training has been recognized from the time position descriptions for FI staff were developed.

We have attempted to use the finite, available resources of the department for training to the greatest advantage, with almost all efforts aimed at helping staff learn the basic requirements for carrying out their responsibilities related to the FI program. Staff has needed time to develop a more complete understanding of how the program is designed to function. As knowledge and skills have grown, the need for a higher level of practice has been reached. The preparation for case management training at an advanced level has been underway for a number of months. We contracted with the American Public Welfare Association (APWA) to assist us in providing what we consider to be an advanced case management curriculum.

A recent New York Times article on welfare reform reflected on this training as action by the South Carolina Department of Social Services to lead the way with a few other states, in changing the culture of welfare and making work the dominant theme of all workers in interactions with clients. The first training of state office and county staff began October 15, 1996. One session was provided during October, and two more will be held this year, one in November and one in December. A full schedule of training for the remaining county staff will begin in January 1997.

- page 32, last sentence: "Fifty percent of casemanagers responding to our survey did not find that the training provided had prepared them to function adequately as a casemanager."

We believe that the case management training (basic FI training) provided the casemanagers with the knowledge and skills necessary to conduct the tasks and activities associated with a new way of doing business. As one would expect, many were unfamiliar with their new role and function. This was true with both the self sufficiency casemanagers and the specialists. As indicated above, the staff has now reached a level of knowledge, skill and understanding necessary for them to benefit from case management training designed to help them improve the quality of their work.

- page 33, paragraph 3: regarding surveys which showed that county directors and casemanagers indicated that training was needed in the areas of career counseling, motivation/attitude, case management, career development and counseling, basic counseling/psychology, time management and communication skills.

The Rehabilitation Counseling Program, USC School of Medicine, has developed a series of training workshops for agencies which have responsibilities associated with the implementation of the FI Law. These workshops have been designed with input from DSS based on needs related to us by county and regional staff. These workshops address the knowledge and skills necessary to assess and work with clients to appropriately prepare and support them for full time employment.

The training addresses: fundamentals of evaluation and assessment, identification and recognition of basic symptoms of psychiatric, substance abuse and other similar impairments, identification/establishment of personal and social adjustment services, job development and job placement services, and job retention and post-employment services. Communication skills are being addressed in the current case management training. Time management is included in the case management training staff began receiving October 15, 1996.

- page 33, paragraph 4: "SD&T staff indicated that some training sessions had been postponed in order to incorporate the terms and conditions which were awaiting approval of the U.S. Office of Human Services. However, case management training could have been provided regardless of the status of the terms and conditions."

Case management training on basic job requirements has been provided nearly continuously since September 1995. Family Independence policy and procedure training was postponed from June 20 until August 12, 1996. FI Waiver training was postponed from June 25 to July 8, 1996. Some of the Skill Level I classes were delayed because the CHIPS system was down due to changes necessary to accommodate the FI program.

As previously mentioned, however, the resources of the Department are finite. At all times during the development of policy, procedures, plans for implementation and operation of the FI program, staff training resources were used fully. Because of this, we contracted with APWA to assist us in developing and conducting advanced case management training for staff at a time when they would most likely benefit. The Department has made plans to address the advanced case management training during a time when staff will feel less burdened due to workload and the anxiety of dealing with so many changes in such a short period of time. One important factor to keep in mind is that staff has complained throughout the past year about the amount of training they were required to attend. This has been taken into consideration when planning and scheduling this training.

- page 33, paragraph 5: "DSS does not have a formal system of measuring training effectiveness, nor does it measure whether staff learned or applied correctly what was taught. According to SD&T staff, they evaluate training results through the use of two rating forms that generally address the quality of the instructors and materials. Data on these forms is not summarized or used constructively towards improving the program ... redesign of the DSS training program is driven by computer system and policy changes".

Training effectiveness is determined in several ways. First, information is provided by trainees on the quality of the training as presented. Second, feedback is received from county supervisors on the employees' performance on the job as they continue their learning from Skill Level II training. Third, feedback is received from reports produced by Program Quality Assurance on overall program performance. Fourth, feedback is received from program liaison staff who interact with county staff on a regular basis. Redesign of training programs is affected by required computer and policy changes. Training development and delivery, however, is driven by all of the above.

- page 34, paragraph 2: "We could not determine the training status of FI staff by county or course level. DSS does not consolidate training attendance records and could not provide us a count of those that had received training from SD&T. Data from the counties regarding staff who attended training is also not consolidated. DSS does not know how many staff have been trained".

The DSS Training Information System sorts by individual social security number. We can determine what training FI staff have received, by working from a list of FI staff and reviewing the



training record for each employee. The current system does not have the capacity to sort by county or by course. We are open to improvement provided resources can be found to accomplish the change.

- page 34, recommendation 12, first bullet: "DSS should consider the following steps in designing training appropriate for all levels of staff: Conduct an assessment to determine training needs and priorities."

A statewide training needs assessment for all areas of the Department was conducted and finalized March 31, 1995. The assessment provided information on training needs for all levels of staff. Many aspects of the study are still applicable. Needs assessments are conducted before SD&T develops any training program. At a minimum, data from the resources identified as page 33, paragraph 5 above are reviewed, supervisors and workers in various counties are consulted by phone, or a focus group will be established to help guide the development. A survey on specialty needs of FI employees was conducted in May 1996.

- page 34, recommendation 12, third bullet: "Identify the skills needed to perform the tasks associated with the FI program, and to what extent the staff possess them."

We concur. We believe that a reasonably good job has been done to identify skills needed to perform the tasks associated with the FI program. Much work needs to be accomplished in order to determine the extent to which staff possess them. We will work to achieve this level of knowledge and understanding of individual needs.

- page 34, recommendation 12, fourth bullet: "Ensure that the training program relates to the local needs of the different counties and regions."

We have responded to individual county requests for specific training and will continue to do so. We interact weekly with regional administrators and county liaison supervisors who provide significant input on county needs. The Department is in the process of decentralizing many functions at the state level. This will affect the overall training as trainers are made a part of the regional administration.

- page 34, recommendation 13: "DSS should consider establishing state standards and budgeting some training funds at the local level. Regional and county directors should be held accountable for meeting established training program standards."

As stated above, the Department is in the process of decentralizing many of the state office functions. The SD&T Division will become more responsible for training policy and control issues, establishing standards, and developing strategies for accomplishing the overall training goals of the Department. Regional offices will be staffed and budgeted to carry out various training functions related to the counties in their area of responsibility.

- page 35, recommendation 14, bullets 1 - 3:: "DSS should consider developing pre- and post-testing of students, Documenting student achievement through the use of tests and

measurements and Evaluating what learning activities are working best and what additional training is needed."

We do not use pre-tests in basic training because the material is usually new to the trainee. We use post-tests following each training module and at the end of a training program to test achievement. Information on a trainee who performs poorly is provided to that employee's supervisor who is alerted to the need for much closer follow up during on the job training. We do alter training modules when we determine that certain learning activities are not working. Trainees are always given the opportunity to give feedback on their assessment of effectiveness and additional training that may improve work performance. We will evaluate the use of pre-tests for intermediate and advanced training.

- page 35, recommendation 14, bullet 5: "Evaluating indicators of tangible results for the organization such as client reactions, productivity, and turnover."

We have developed a management training section that is working with a number of counties on customer relations. This applies to both internal and external customers. The work by this group is designed to help counties acquire information on client reactions, productivity, and similar Total Quality Management issues. We are committed to this effort as an organization and are beginning to see some tangible results. Turnover is a major concern. It increases training costs significantly, decreases quality of work output, tends to create a climate for crisis management, and ties up resources that should be directed toward accomplishment of major goals.

- page 35, recommendation 15: "DSS should track training by staff person and course and ensure that all staff receive necessary training." See response to page 34, paragraph 2.

- page 37, paragraph 5, third sentence: "...applicants are not required to have the employers they contact sign the form". We disagree that clients should have each employer contacted sign the form. We are trying not to increase the burden on employers, especially in smaller towns and jurisdictions. In addition, the agency does not want to prejudice employers against hiring AFDC applicants. Initial job search is not necessarily a way to help clients become self sufficient in and of itself, but is a way to help clients understand the goals of the program.

- page 38, paragraph 2, last sentence: "In our survey of casemanagers, 58% responded that at least half of their Family Independence clients, while meeting the definition of job ready, really needed assessment and training prior to job placement."

If the job coach and/or casemanager believe that their clients are not job ready, they should refer clients to assessment. They are not required to wait 60 days. If they are determined not to be job ready, the job coach and/or casemanager are to refer clients to assessment. This was addressed in a policy clarification in April 1996.

- page 39, paragraph 3: Regarding "The basic assessment instrument used by DSS results in **only** a general view of a client's needs", (emphasis added). The assessments are operating the way they were intended to. The evaluation summary by the assessment specialists will be more general,

while the plans may be very specific. Our assessment specialists are not qualified or trained to do more than a basic overview of the clients' level of functioning.

We are trying not to duplicate the work of the Department of Vocational Rehabilitation. Our basic screening instruments are designed, in part, to determine if a more detailed assessment by DVR is needed. In fact, your report reflects exactly this point, on page 40, top sentence: "DSS policies state that Family Independence clients should be referred to agencies such as VR, the Department of Mental Health, or another appropriate agency when a more detailed assessment is needed."

Regarding "Furthermore, the assessments did not result in very specific self-sufficiency plans", many of our clients are similar in profile educationally and in the lack of job experience and skills, transportation and child care. It is not surprising that some self-sufficiency plans read similarly.

- page 44, paragraph 2, third sentence: Regarding "DSS does not have data showing the number of GED's or high school diplomas obtained by AFDC recipients through adult education classes...". This data is available from the W-NAT system.
- page 53, paragraph 3, second sentence: Regarding: "... many DSS referrals do not meet VR's service criteria". There is an implication that DSS has done something incorrectly, although no explanation or context accompanies it. Do other agencies refer clients at a greater rate who, after assessment, meet service criteria? We feel that casemanagers should refer clients who they believe might meet VR criteria, and let VR make the determination of eligibility.
- page 55, Recommendation 29: "DSS should ensure that all AFDC clients referred to VR from other sources meet participation and job placement goals". Is there evidence that our casemanagers are not following up on AFDC clients referred to VR? If so, such evidence is not presented in the report.
- page 55, Recommendation 30: "DSS should ensure that appropriate local MOUs with VR are developed and implemented..." Our state MOU with VR was signed 11/22/95; counties are encouraged, but not required, to sign local MOUs. In your survey, an insignificant proportion of casemanagers and county directors had any problem with services provided by VR.
- page 56, paragraph 5: "both DSS and DAODAS are responsible for developing local MOUs..." Local agreements are not required. However, counties have been encouraged to sign local MOUs.
- page 59, Recommendation 31: "DSS should ensure that all AFDC clients referred to DAODAS from other sources meet DSS's participation and job placement goals". We are unaware of evidence that this is not being done, or is a problem.



# State of South Carolina

## Department of Health and Human Services

David M. Beasley  
Governor

November 21, 1996

Gwen Power  
Interim Director

Ms. Kathleen Snider  
S.C. Legislative Audit Council  
400 Gervais Street  
Columbia, South Carolina 29201

Dear Ms. Snider:

I have reviewed your final draft report regarding the implementation of Family Independence and its relationship to child care. I appreciate you incorporating our previous suggestions into the report.

I would like to make one additional suggestion that will hopefully avoid some misunderstanding by people reading the report. On page 46, paragraph 2, I would recommend substituting the word "received" for the word "had" in referring to funds available to DHHS for child care. As you know, we have some federal funds from previous years that we are spending. The paragraph reflects allocations "received" in FY'95-96, not total funds available.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Orf", written over a horizontal line.

Mark E. Orf, Director  
Division of Program Development

MEO/os

# South Carolina Vocational Rehabilitation Department

P. CHARLES LaROSA JR., COMMISSIONER

1410 Boston Avenue • Post Office Box 15 • West Columbia, South Carolina 29171-0015



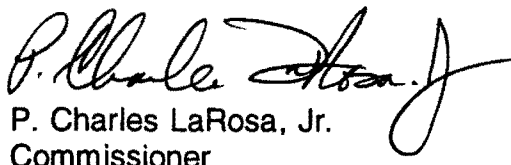
October 17, 1996

Ms. Cheryl Ridings, Deputy Director  
SC Legislative Audit Council  
400 Gervais Street  
Columbia, SC 29201

Dear Ms. Ridings:

We have reviewed that portion of the draft report on the Department of Social Services/AFDC referrals which applies to Vocational Rehabilitation. We find that the contents appear to be an accurate reflection of our Department's involvement with these referrals.

Sincerely,

  
P. Charles LaRosa, Jr.  
Commissioner

PCL:fmr



*State of South Carolina*

*Department of Alcohol and Other Drug Abuse Services*

DAVID M. BEASLEY  
Governor

BEVERLY G. HAMILTON  
Director

October 31, 1996

Ms. Cheryl Ridings  
Deputy Director  
Legislative Audit Council  
400 Gervais Street  
Columbia, South Carolina 29201

Dear Ms. Ridings:

I have read the report from the Legislative Audit Council referencing the South Carolina Department of Alcohol and Other Drug Abuse Services' involvement with the implementation of *The Family Independence Act of 1995*.

I understand that my Executive Assistant has been working with your agency on language which appropriately reflects our efforts in seeing that welfare reform works in South Carolina. I approve of the section referencing this department in the overall report on implementation.

If I may be of any further service to you, please do not hesitate to contact my Executive Assistant.

Sincerely,

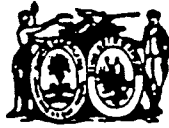
A handwritten signature in cursive script that reads "Beverly G. Hamilton".

Beverly G. Hamilton  
Executive Director

BH/sld



South Carolina  
**Employment Security Commission**



COMMISSION  
Samuel R. Foster, Chairman  
(803) 737-2656  
Carole C. Wells, Vice-Chairman  
(803) 737-2655  
J. William McLeod, Commissioner  
(803) 737-2652

1550 Gadsden Street  
P. O. Box 1406  
Columbia, S. C. 29202  
October 25, 1996

EXECUTIVE DIRECTOR  
Joel T. Cassidy  
(803) 737-2617

**TO:** Legislative Audit Council  
**FROM:** J. W. Ballard *JWB*  
Director, E & T Technical Services  
**SUBJECT:** LAC/FIA-96-1-South Carolina Family Independence Act

In reviewing the above listed material we find the report to be basically correct. I would point out on page 51 where you state "A contract is not needed for ESC to serve DSS clients; ESC is required by law to provide the same services to all who are unemployed." This statement is correct, however, to provide indepth service to a specific group and provide feedback on that group would require a contract.

Also enclosed are affidavits signed by the two individuals who viewed this write-up.

ES-3

attachments

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This report was published for a total cost of \$1,008.88; 300 bound copies were printed at a cost of \$3.36 per unit.